Peel and the Liverpool City Region

Predatory Capitalism or Providential Corporatism?
Preface

When the trustees of ExUrbe suggested a review of Peel, it was not appreciated what a complicated task we had set our small and hard-working research team. We did not know how complex an organisation it was; nor did we anticipate the sheer number of separate companies which make up the conglomerate commonly known as Peel.

What we did know was that in a short time, Peel had come from nowhere (as far as most Merseysiders were concerned) to become a major stakeholder on Merseyside. Indeed, the scale of its ambitions was soon apparent to even the casual observer. Thus, the announcement by the Secretary of State that he will not be calling in the planning application for Liverpool Waters comes as no surprise. Indeed, in these austere times, no politician would wish to be seen as obstructing a multi-billion pound investment.

Yet Liverpool Waters – and the complementary Wirral Waters – has a long way to go before the Peel vision becomes a reality. There are challenges of detailed planning approval to be met, and the small matter of finding the finance in these currently difficult economic circumstances.

Assuming that Peel's confidence in their plans is merited, we at ExUrbe believe that it is more important than ever that the people and businesses of the Liverpool City Region are fully aware of the kind of organisation to which their future hopes have been hitched. After all, Peel is now the dominant influence within the city region. It owns the port; it has a significant stake in the airport; it has a huge landbank on either side of the Mersey; it has two representatives on the Local Enterprise Partnership (including its chairman); and has massive developments planned within four of the six local authorities.

That dominance - with no real democratic accountability – makes it necessary to throw a light on the practices, finances and record of Peel. Only with a transparent account of the organisation is it possible to properly assess and judge the nature of the beast to which the Liverpool City Region is now harnessed.

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Chair of Trustees
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Executive Summary

The purpose of this report is to ‘shine a light’ upon property investor and developer The Peel Group. ‘Peel’, as it is more generally known, has extensive and proliferating interests across the North West in general and Merseyside, in particular. Its power and influence in the Liverpool City Region, derived from its ownership of key land and building assets, has grown exponentially in recent years and Peel looks set to benefit tremendously from the present ‘direction of travel’ of government policy and local strategy on economic growth and planning. The Peel Group plans great things for Liverpool and the wider conurbation and is currently on track to embark upon some of the largest, costliest and most protracted regeneration schemes the country has ever seen.

Despite all this, nobody in any position of responsibility or authority on Merseyside appears to have been asking any searching questions about the suitability or desirability of Peel’s burgeoning prevalence. Those democratically elected to represent the public interest appear happy to throw the city region’s lot in with this organisation because it claims to offer a panacea to many of the area’s socio-economic ills. A cause and effect of this has been the blurring of the boundaries between public and private interests. The ever greater role of a privately owned and run company in sub-regional strategy formulation, infrastructure planning, decision-making and funding on Merseyside has, in our view, led to an increasing lack of transparency and accountability, the ‘commodification’ of Liverpool and the wider Merseyside conurbation in the quest for investment, the diversion of political attention and effort into supporting Peel’s commercial goals and the triumph of marketing spin over hard fact, where public information is concerned.

ExUrbe subsequently determined to find out more about Peel by sourcing, collating and making some sense of information about the Group available in the public domain. We were particularly interested in examining the corporation’s interactions with public sector bodies and institutions and how it responds to public policy and initiatives.

In Part One, we provide context and background – the ‘who, what, where, when, why and how?’ - seeking to answer a number of basic questions:

- What is Peel?
- Who ‘runs the show’?
- How is it structured and governed?
- What shape are its finances in and has it benefitted significantly from public subsidy?
- How is it perceived – by the general public, by politicians and within the business world?
- What is its track record on delivery?

We quickly discovered that we had taken on a mammoth task. Peel is a complex, opaque conglomerate comprising several hundred individual companies – a significant proportion of which are holding companies and all of which, ultimately, lead to off-shore parent or ‘controlling’ entities. It is also a ‘family empire’, owned and run by a single individual and his adult offspring. Peel is thus a curious (and rather anachronistic) hybrid which demonstrates many of the features of modern corporate structuring and financing but remains largely unencumbered by the inconveniences of public shareholding – and the transparency and accountability that go with that form of ownership.
In light of this, it is nigh on impossible to establish Peel’s overall ‘worth’ or to make any meaningful sense of the way in which it operates financially. That Peel holds valuable assets is a matter of public record. The conglomerate is essentially asset rich, cash poor, however, when it comes to having investment ‘readies’ to hand. For all the public – and by extension, their democratically elected representatives – are able to ascertain, Peel (which is currently proposing a mammoth £10 billion pound development scheme for the banks of the Mersey) could be an edifice built almost entirely (and precariously, in the current economic climate) upon ‘virtual’ finance.

Similarly, there is no way of gauging the full extent of Peel’s projects at home and abroad, or what it plans for the future. Peel schemes rarely come to light until they are effectively a fait accompli and the conglomerate is confident they will go ahead, irrespective of public opinion. The Group is prepared to plough huge amounts of money into preparing and marketing its plans, in order to ensure ‘guaranteed’ positive outcomes.

We were, however, able to piece together an impressionistic overview of the conglomerate’s interests, its corporate practice and business ethics, its performance in a number of sectors and its potential and actual role as a driver of economic growth.

It was no mean feat. Peel – nominally a ‘property developer’ – is now engaged in retail, shipping, aviation, infrastructure development, utilities and media. It has fingers in so many sectoral pies that there are new real developments weekly – an application approved here; a legal battle won there; a construction project begun somewhere else again – as well as a constant flow of contrived ‘developments’ emanating from Peel’s well-oiled PR machine.

The conglomerate might well be described, in fact, as a ‘jack of all trades; master of none’, which markets itself to different geographical and sectoral audiences under different headings, including Peel Ports, Peel Media, Peel Retail, Peel Energy. Ultimately, it has evolved primarily into a ‘brand’, its core business the buying up of assets which it then uses to generate income (through rent or onward selling) which is used to pay off debt (“refinancing”) or to finance new projects. Any profit remaining at the end of the finance chain flows off-shore, making the Group’s owner a very wealthy man.

Peel does not, we found, have a good record on community engagement and social responsibility. We unearthed example upon example of the conglomerate locking horns with perceived ‘adversaries’, riding rough-shod over the concerns of local communities and special interest groups and using its financial ‘clout’ to mount PR campaigns and legal challenges designed to further its interests against the interests of those who are concerned about the environment or heritage, public health or, indeed, local economies. Peel executives can be publicly aggressive and bullish when challenged too closely; unappealing behaviour, which has done little to enhance the conglomerate’s corporate reputation. The Group’s charitable endeavours are underwhelming for an organisation of its alleged size and wealth, and invariably self-interested. Peel is not, in short, a ‘caring and sharing’ organisation. It is unashamedly cut-throat in pursuit of its own commercial interests.

Peel has positioned itself as the darling of the current crop of elected movers and shakers - at both local and national level and irrespective of political partisanship. Not only do the
Government’s pro-business policies and initiatives fully complement and support the aspirations of the Group; Peel’s offer of investment, jobs, homes and regeneration has proven simply too tempting for politicians – cash strapped, lacking in imagination and strategic foresight and desperate for ‘good news’ - to resist.

None of this, we think, sits comfortably with Peel’s self-styled role as Merseyside’s institutional knight in shining armour.

In Part 2, therefore, we set out to examine the Group’s key interests in the Liverpool City Region. They are extensive and strategically important and affect all six of the sub-regional local boroughs, particularly Liverpool, Sefton and Wirral.

For all this, we discovered that Peel is in fact a relative ‘newcomer’ to Merseyside – it only secured ownership of the Mersey Docks estate in 2005, for example. Contrary to appearances, the conglomerate lost interest in Liverpool John Lennon Airport, its ‘flagship’ project in the sub-region, some years ago and its involvement in the facility is now minimal. We noted this was a common feature of Peel’s modus operandi. When it regards a scheme as having become commercially uncertain, it does not rid itself of the asset entirely but sells it on whilst maintaining a stake. In this way, it maintains a pecuniary interest and keeps its options open but divests itself of sole responsibility for the venture and thus minimises risk.

This is standard practice, of course – but it ought, in our view, to have some bearing upon the way in which local movers and shakers assess Peel’s massive, long-term development schemes for the Mersey waterfront, which we examine in some detail in the report. Liverpool and Wirral Waters (which come under the umbrella branding of ‘Peel Waters’, which in turn is a feature of the £50 billion Ocean/Atlantic Gateway project extending from Liverpool to Manchester via the Manchester Ship Canal corridor) are alarmingly unprecedented. Their design has been roundly criticised and their projected social and economic outcomes, widely doubted. Crucially, until very recently Peel had secured virtually none of the £10 billion required to see them through. The conglomerate has been busy cultivating links with China and India, ostensibly with a view to securing ‘investment’ but the evidence suggests the focus has been upon securing paying foreign tenants for Peel properties – not quite the same thing. What is more, China and India may be emerging economies but they are also unpredictable and politically and ethically problematic economies. Ultimately, Peel can offer very little in the way of guaranteed outcomes for its ‘Peel Waters’ ventures, at this stage. We wonder whether it is very wise for local authorities in vulnerable areas to take such a huge gamble on such deeply flawed proposals.

What is clear is that Peel enjoys a disproportionate amount of power and influence in the LCR sub-region and this is exercised both formally and informally, directly and indirectly, through its involvement in virtually every decision-making body of note in and around Liverpool. Peel enjoys the uncritical endorsement of local democratic leaders, who appear unable or unwilling to stand back, maintain some measure of objective distance and critically appraise this ‘bearer of gifts’. Claims that Peel is ‘calling the shots’ on Merseyside, aided and abetted by passive local government leadership, are warranted. That the conglomerate threatened to pull the plug on its Liverpool Waters scheme in the event of the proposals being called in for a public inquiry is testament to the conglomerate’s cocksure indifference to due democratic process and to its confidence in its economic and political ‘weight’.
In Part 3, we draw together our findings, look ahead and make a number of key remarks and observations. We also briefly discuss the concept of predatory capitalism - very much a 'hot topic' of late – with particular reference to the issue of tax avoidance. The Peel Group practices tax avoidance – of that there seems little doubt – thus depriving the Exchequer of much-needed funds. We wonder a) what the Government intends to do about this, given its professed commitment to tackling tax dodging and b) how this squares with ongoing political support for the ambitious activities of conglomerates that operate and generate income in the UK but whose parent and controlling companies are registered in recognised tax havens. The focus of the tax avoidance debate has been upon ‘multinationals’ that operate cross border. It is time, we think, for a shift in focus.

The devil, with Peel, is in the detail (indeed, an inattention to detail over a period of time, on the part of those who should be ‘keeping tabs’ with a view to serving and protecting the public interest, very likely explains the conglomerate’s pre-eminence). The report is subsequently longer and more involved than we had anticipated. But it was, we felt, only by ‘forensically’ scrutinising the information available could we sort the wheat from the chaff – the appearance from the reality – and present and explain our findings.

We believe this study will resonate with audiences beyond Merseyside. In many respects, Peel represents a model of corporate practice that has been widely discredited in a number of sectors over the past few years – in banking, in media, latterly even in food production. It is no longer enough to say “that’s business for you” or “that’s the way of the world”. Greed and corporate arrogance have been well and truly exposed and the UK public is clamouring for new standards.

Our ultimate questions are these: does the Liverpool City Region really wish to rely so heavily upon a conglomerate such as Peel, whose key movers and shakers are not even based locally? Is it happy to adopt Peel’s vision for the sub-region - lock, stock and barrel - as its own? And crucially, is it satisfied (on the basis of evidence largely provided by the conglomerate itself) that Peel is able to deliver on appropriate, sustainable regeneration and growth?

**KEY FINDINGS:**

- Peel is a conglomerate comprising in excess of four hundred separately incorporated companies – possibly hundreds more. Many are holding companies, set up to facilitate the shifting around of finances and legal liabilities. Though most are registered in the UK, they are all ultimately owned by off-shore interests and controlled by a private family trust based in the Isle of Man.

- Peel’s corporate structure is labyrinthine and proliferating, the ‘control and command’ chain of subsidiary, holding and parent companies barely decipherable and with new concerns routinely added to the fold, sometimes in clusters. A small core of non-executive directors sit on the boards of hundreds of Peel companies. At the helm sits a tax exile.

- Nominally a ‘property developer’, Peel has diversified in a remarkably short space of time into sectors as diverse as ports, media and utilities. In doing so, it has effectively
become a ‘jack of all trades, master of none’, whilst rapidly claiming ‘expertise’ in each new industry it enters.

→ Peel has thus evolved into little more than a brand name for a multi-billion pound investment vehicle concerned first and foremost with cobbling finance deals together piecemeal from a bewildering array of sources, some of them distinctly questionable. Its main in-house activities are (re)financing and marketing. It ‘buys into’ sectors because they look lucrative or come with valuable land or property holdings attached, not because it wishes to develop expertise in a particular industry.

→ The conglomerate’s track record on delivery is at best patchy, as is its reputation for meeting public demand and addressing public interest concerns. It has no history of achieving the kind of major infrastructure projects planned for Merseyside; the jury is still firmly out on whether Salford’s MediaCityUK – the closest Peel has yet come to major ‘mixed use’ development – has produced dividends for the local community and the local economy.

→ The Peel Group does have ‘form’ when it comes to successfully accessing public funding. Over the years, its projects on Merseyside and elsewhere have received hundreds of millions of pounds worth of EU and UK public subsidy, both in cash and in kind. Little objective analysis has been undertaken to establish the added public value of those historic investments. Many previous funding streams are rapidly drying up but Peel – ever adaptable; ever resourceful – is clearly determined to benefit from the alternatives available, such as the Regional Growth Fund or Enterprise Zone status.

→ The power and influence of the conglomerate across the North West generally - and in the Liverpool City Region in particular – has grown remarkably (and disproportionately) over the past few years. It now plays a quasi-political role in the sub-region, so entrenched has its role become in local governance. As a result, it arguably enjoys privileged access to funding streams and better opportunities to tap into growth initiatives than any other comparable commercial player on Merseyside. Knowledge, as they say, is power.

→ Peel has proactively played the 'localism' card in recent years. Yet the conglomerate is not of, for or by the local community. Imposing its 'vision' for Merseyside on an unsuspecting public has little to do with local empowerment and democracy and a great deal to do with commercial ambition.

→ Individuals entrusted with representing the public interest on Merseyside – democratically elected councillors, council leaders and MPs – fall largely into two camps: those who are in thrall to the conglomerate, bedazzled by its promises of untold riches and those who appear blithely oblivious to its increasing involvement in and influence over public affairs.

→ The private sector has a crucial role to play in kick-starting the sub-regional economy, of course, and genuine, sustainable innovation and investment are to be welcomed. But there is legitimate concern that Peel’s increasing hegemony – and all the perks and commercial advantages that come with it - risks excluding other local private sector players keen to both contribute to and to benefit from local economic growth. Adept at ensuring its interests are protected and supported, Peel has rapidly become a very big fish in a small pond. Liverpool risks becoming a ‘one company town’.
Introduction

Sardonic types on Merseyside have intermittently quipped that Liverpool might as well be renamed ‘Liverpeel’, given the seeming omnipresence, omnipotence and omniscience of The Peel Group across the Liverpool City Region.

Such cynicism is arguably understandable. For some years now, the organisation has systematically acquired major interests across the sub-region and now owns significant swathes of key land and property - and thus commercial opportunity - across Greater Merseyside. Over time, given its determined focus upon the sub-region, the company and its ‘people’ have come to enjoy an unprecedented (and, we would suggest, disproportionate) level of direct and indirect involvement in infrastructure planning and delivery for the city and the wider conurbation. Thanks to this major role in the structural regeneration and economic development of the Liverpool City Region, ‘Peel’ has become a household name and a by-word for local power and influence.

The Peel ‘brand’ has been simultaneously promoted – with considerable success, thanks to largely acquiescent local media coverage – as socially caring and responsible, earnestly committed to supporting England’s North West generally and Merseyside in particular and determined (singlehandedly, if necessary) to do its bit to bolster regional and sub-regional growth and prosperity.

The Peel Waters schemes on Merseyside, huge ‘mixed use’ waterfront developments, are a case in point. The projects have been enthusiastically seized upon by local and national politicians alike because they promise the whole-scale regeneration of much-blighted and long-neglected areas. There is no doubt the city region desperately needs private sector investment and the reality is, investors are not queuing up. Yet the fact remains that Peel is a private asset management and property development organisation with complex offshore registration and taxation arrangements, all manner of projects underway around Britain and several abroad. It operates via a vast myriad of individually registered subsidiary companies. It may be ‘headquartered’ in Manchester but many of its key parent companies, as well as its ultimate controlling company, are located in off-shore tax havens. For all this, this private concern proposing great things for Merseyside – unprecedented in terms of scale, cost and timescale – has been but cursorily examined.

ExUrbe thus determined to ‘shine a light’ on The Peel Group. We approached the task from the point of view of the ‘public interest’, which all too often gets in the way of commercial or political priorities. What a private business chooses to do is its own concern. But if that private business enters the public realm – as Peel so clearly has – then it is not only legitimate but right and proper, in our view, that it be held up to public scrutiny.

Although we set out to be robustly critical and often sceptical, there is no ‘agenda’ other than to inform, hypothesise and stimulate debate. We have sought to provide an accessible overview of the company – its history, its corporate arrangements, its business practice and its UK track record and reputation.
We have broadly striven to answer some more complex and searching questions, including:

- What is Peel, given its mushrooming reach from land and property into media, finance, energy and other services?
- How sound are its finances, what are its taxation arrangements and where do its profits go? Has it benefitted from public subsidy and if so, has this been justified?
- What is its track record on infrastructure investment and development, given its ambitious plans for Liverpool? What does it hope to achieve by the Liverpool Waters scheme and what are its prospects of success?
- Does the company enjoy excessive influence on Merseyside? How does it interact with key individuals and institutions? Does this matter, as long as it delivers regeneration, jobs and thus growth?
- Has the city region become overly reliant upon this organisation? Are complaints that Liverpool is fast becoming a 'one company town' warranted?
- A key – and provocative - question that will be addressed is whether Peel’s corporate ambitions and practice represent the kind of predatory capitalism that is now being widely discussed in political and economic circles.

The time and mood are right, we think, to take a closer look at this increasingly powerful and influential organisation. We recognise our inquisitiveness will be deemed bothersome by some; plain impertinent by others. But banking, the media and multinational retailers were – until very recently – considered ‘untouchable’. All have been exposed; all have been adjudged to be in urgent need of ‘root and branch’ reform within their respective corporate ‘cultures’.

We do not propose that Peel ought to ‘change’. It is highly unlikely to do so. On the basis of our findings, however, we do question whether it is in interests of the Liverpool City Region public to throw our lot so unreservedly in with this monopolising giant. We do question whether Peel’s increasing hegemony is having a corrosive effect on local democracy. And we do urge local decision makers and the general public alike to think through our findings.

We must add a major caveat to those findings. In the course of our preliminary scoping, we quickly realised we were dealing with a far more complex, far more opaque organisation than we had envisaged. Moreover, as a private concern, Peel is not bound by the rules of transparency and accountability that apply in the public and voluntary sectors and does not, as a matter of course, publish corporate information. ExUrbe is not in the business of investigative journalism. Nor, as a small charitable organisation, do we have the resources to access private company information, which is available but at too prohibitive a cost in the case of Peel, given the amount of documentation we would have to purchase to gain the kind of comprehensive overview we would like.

This study has therefore – necessarily – been a desk-based exercise, drawing primarily upon the range of primary and secondary resources available in the public domain. We have, to use a cliché, left ‘no stone unturned’ in our bid to make sense of Peel’s corporate
interests and activities but we freely state when and where we have been unable to unearth sufficient information to provide a clear and definitive description of any aspect of our subject. This is not satisfactory from a research point of view – but it does in itself, perhaps, say something about Peel.

We openly acknowledge, too, that there are whole areas of Peel’s activities that we have not touched upon. We have not examined its Ports or Energy portfolios, for example. The organisation’s reach and range of interests are simply too extensive and too complex to be comprehensively surveyed at this stage. Moreover, the purpose of this report is not to provide an exhaustive ‘biography’ of Peel but to focus upon those aspects most relevant to the Group’s current and future plans for Merseyside (the Mersey waterfront in particular) from a public interest perspective.

We have sought to verify and/or corroborate information given and claims made, by going back to the most original or reliable sources available. Where our findings are attributable to media reportage – not always the most reliable, accurate or unbiased of sources – we make this clear via the footnotes.

Finally: we have no particular expertise in accounting or commercial law and openly admit that Peel’s labyrinthine structures and activities at time baffled us. But we do recognise sophistry and public relations for what they are and we are adept at separating objective fact from subjective fiction. That is what we have sought to do. Consider this, too: if we, having immersed ourselves in the subject for weeks on end, struggle to make sense of Peel’s agenda, what hope has the ordinary citizen, bombarded by spin and politicking at every turn?
PART 1

General Background
1] What is Peel?

1.1 Peel describes itself on its website and in its literature as “a leading infrastructure, transport and real estate investment company in the UK”\(^1\).

1.2 It is not, strictly speaking, a ‘company’ at all - not in the simple, layman’s sense of the word. Peel is the short-hand brand name for The Peel Group, a large and proliferating consortium of individually registered companies. Hundreds are separately registered in the UK with Companies House - some dormant but most active - at Peel’s headquarters in Manchester and at a number of other key locations at home and abroad (details of these are provided section 4). The organisation acknowledges its collective nature on its website, albeit in a less than obvious spot: “Peel is the trading name for a group of companies which are principally established in England and Wales.”\(^2\)

1.3 Typical descriptions of the conglomerate, as approved by Peel and its advisors for use in corporate documents, are as follows:

“The Peel Group, of which The Trafford Centre Group forms part, is a leading infrastructure, transport and real estate enterprise in the UK with assets owned and under management in excess of £6 billion. The Peel Group holds significant investments in a number of growing businesses, including ports, media, energy, land, developments, investment property, environmental assets, airports, hotels, utilities and advertising, as well as a portfolio of investments in quoted companies.”\(^3\)

and:

“The Peel Group is a leading real estate, transport and infrastructure investment company in the UK with assets under management approaching approximately £5 billion. The Peel Group holds significant investments in a number of growing businesses, including Ports, Airports, Media, Energy, Land, Developments, Investment Property, Environmental Assets, Hotels, Utilities and Advertising, as well as a portfolio of investments in quoted and unquoted companies.”\(^4\)

1.4 Peel’s marketing department broadly lists its main ‘Business Activities’ as “real estate, leisure, energy and environment, retail, transport and infrastructure and media” although it has ventured into other sectors, too, ranging from finance to – bizarrely - pet food products\(^5\). One independent company overview provides a breathtaking array of interests:

“It offers business and office space, and retail property and retail space rent or lease services; owns and manages industrial space or individual industrial units, and business parks; new apartments for sale or to rent; land development opportunities, and land available for sale and to rent; business and retail space development; and overseas development projects. The company also owns, develops, and managing shopping centers; develops wind and tidal power, biomass, and multi-fuel power plants with carbon capture and storage, as well as

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\(^3\) ‘Proposed Acquisition and Placing of Shares’. Capital Shopping Centres Group. 25 November 2010
\(^4\) Offering Circular. Peel Land and Property Investments plc. 4 June 2010
develops new management sites, including landfill sites; mineral extraction services; and develops resource recovery parks. Further, the company provides utility services, including electricity, gas, water, and sewerage services through regulated non-regulated infrastructure to homes and businesses; transport and infrastructure services, such as airports, ports, and helicopter charter; and media community development services. Furthermore, it provides studio and related services to the film and television industries worldwide; and advertising services.  

FIG 1: Peel UK – Snapshot of selection of 320 UK Registered Peel Companies by ‘Activity’

1.5 The brand subsequently means different things to different audiences and Peel has been variously described, amongst other things, as a “property developer”, an “investment company” and a “landlord”. Given all this, critics might reasonably argue that the organisation is effectively a ‘jack of all trades and master of none’.

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1.6 Peel is not alone in its ‘diversification’ of interests, of course. This has become increasingly standard practice for major conglomerates, whatever their original sectoral interest. Witness the major supermarket retailers who have ‘branched out’ into insurance, banking and other ‘personal financial services’, holidays, healthcare and even gold exchange.\(^7\)

1.7 In addition, Peel is a major, if often unidentifiable, shareholder in a considerable range of other companies (many of which are detailed later in this report). Very often, the Peel Group’s interest in these companies is not readily obvious. Only determined ‘rooting around’ and cross-referencing leads to their discovery.

1.8 Peel Holdings, Peel Ports, Peel Investments, Peel Land and Property and variations and derivatives of these are just some of the larger of the companies within the vast Peel portfolio. They are all subsidiary holding companies or intermediate holding companies owned by larger holding companies which in turn ‘feed into’ (and are owned by) the ‘ultimate’ parent company.

1.9 Holding companies are exactly what they say ‘on the tin’. They are designed not to provide products or services – not to ‘operate’ as such at all – but to ‘hold’ assets. A standard definition is as follows:

“a company established for the sole or majority purpose of holding shares in the Groups subsidiary companies incorporated in countries in which the Group is engaged in business activities. The holding company will receive the dividends paid by those subsidiaries and use them to declare a dividend to the ultimate parent.”\(^8\)

Holdings companies are discussed further, in relation to The Peel Group, in section 4.

1.10 Peel's parent company is an organisation called Tokenhouse Limited, registered offshore in the Isle of Man. Its total assets are reportedly worth over £18 billion. Tokenhouse Limited is also the parent company to Tokenhouse Investments (Guernsey) Limited and to Peel Ports Holdings (Ci) Limited, which is based in the Cayman Islands. All of Peel’s concerns lead back, through a complex web of intermediate ‘parent’ companies and subsidiaries, to Tokenhouse Limited.

1.11 The Peel Group is thus a vast network of companies – just how vast will be demonstrated in later sections. But it also operates along “Russian doll” lines – a company within a company within a company and so on.

1.12 Standard definitions of a conglomerate are as follows:

“A firm engaged in two or more unrelated businesses”.\(^9\)

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\(^8\) GR Morgan Formations website: UK Holding Companies. Accessed 8 January 2013

A corporation that runs and manages many unrelated businesses. The businesses are in different industries and generally have nothing at all to do with each other in terms of what products are produced. The theory behind a conglomerate states that the individual businesses can be managed at lower cost because they are able to pool resources while also reducing risks inherent to any particular industry.10

A company engaged in varied business operations, many of which seem unrelated. A conglomerate is designed to have reduced risk, since its various operations are affected differently by business conditions over time. In addition, it is possible for a conglomerate to redistribute its corporate assets depending on which operations show the most promise. Conglomerates were popular among investors during the 1960s but investors’ interest in them faded during the 1970s and 1980s.11

A conglomerate is a corporation whose multiple business units operate in different, often unrelated, areas. It is generally formed when one company expands by acquiring other firms, which it brings together under a single management umbrella. In some, but not all, cases, the formerly independent elements of the conglomerate retain their brand identities, though they are responsible to the conglomerate's management.12

On the basis of these definitions, Peel might reasonably be described as an archetypal conglomerate. It is rarely referred to as such – probably because ‘conglomerate’ sounds more remote and less approachable for branding purposes at a local level than ‘family run company’ (see below).

1.13 Note the addenda to two of the definitions cited above:

Conglomerates are not as popular in the United States as they once were because some became so complex, they were impossible to operate.13

and:

Some conglomerates are successful, with different parts of the whole contributing the lion’s share of the profits in different phases of the economic cycle, offsetting weaker performance by other units. Other conglomerates are never able to meld the parts into a functioning whole. In those cases, the parent company may sell or spin off various divisions into new independent companies.14

The ramifications of all of this, with particular reference to Peel, are examined in section 4.

1.14 As will be explained and evidenced, Peel companies are linked not by theme or expertise (though the Group styles itself as ‘specialising’ in a growing number of sectors) but by individuals and finance. These are the common threads that bind the Peel companies together. Cross-sector branding has become the glue.

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1.15 Unlike a major, global conglomerate such as Virgin, until recently Peel has not been a producer of products or a provider of services. Its overarching business interest has been property: the acquisition of it, the development of it and – crucially - the use of it to generate profit through rent or public investment or onward selling. By moving into other sectors - the media and the utilities, for example - Peel is seemingly evolving into a full-blown investment empire.

1.16 According to one organisation which focuses upon such things, a firm is considered a ‘family’ enterprise if:

1. The majority of votes are owned by the person or persons who established the firm, or those who have acquired the share capital of the firm or who are in the possession of their spouses, parents, child or child’s direct heirs.
2. The majority of votes may be indirect or direct.
3. At least one representative of the family or kin is involved in the management or administration of the firm.
4. Listed companies meet the definition of a family enterprise if the person who established or acquired the firm (share capital) or their families or descendants possess 25% of the right to vote as mandated by their share capital.¹⁵

Peel, family-owned and family run by John Whittaker and three or four of his adult children¹⁶, passes this test. Whilst the key companies within the portfolio are governed by boards of directors, the Whittakers clearly keep tight hold of the reins. Whittaker himself is widely considered to be an astute and hard-headed businessmen – how else can he have grown the company in the way he has? – and Peel’s growth in recent years is attributed, both within and without the conglomerate, to his vision and his leadership. Section 3 examines Peel’s ownership in detail. In this respect, Peel constitutes a family business empire.

1.17 Peel is a ‘facilitator’ or an ‘enabler’ in so far as it draws together finance and expertise. The Peel Group provides ‘ideas’ and sources financial backing. For the most part, however Peel people do not design or build – they contract other people in to do this – they do not deliver as such. Whilst the conglomerate has inarguably developed ‘strongholds’ in a number of sectors (and a number of geographical locations), it cannot be said to boast ‘expertise’ in any one industry. This has some bearing upon Peel’s proposed ‘mega developments’ on Merseyside, which in many respects represent uncharted waters for the Group.

1.18 In short, then, Peel is simultaneously:

- an investment vehicle
- a business conglomerate
- a private family empire
- an emerging ‘brand’

It is, by any standards, an unusual (and arguably unsustainable: witness the Murdoch empire) hybrid of ‘traditional’ and ‘modern’ business models.

¹⁵ Institute for Family Business: What is the definition of a family business? 13 August 2012
2] **Potted History**

2.1 Peel did not begin life as a ‘start up’ company; the story of its founder is not the story of a ‘self-made man’. It was established using wealth derived from textiles, farming and quarrying in 19th century Lancashire. The Peel Group website boasts “a proud history of landmark events dating back to the 18th century”\(^\text{17}\) and proudly associates the history of the modern-day company with such local Lancastrian worthies as Francis Edgerton, Sir Robert Peel and John Bright\(^\text{18}\) (the Chinese website of one of its current investment partners suggests the conglomerate is some 300 years old). Strictly speaking, any historic ‘links’ are incidental and tenuous. Peel as it now exists does **not** have quite as long and illustrious a history as is sometimes implied.

2.2 In the 1970’s and 1980’s John Whittaker – born 1942 in Bolton - began buying up old industrial land and property including Peel Mills and ‘John Bright’s’. The acquired name, Peel Mills, was changed and in 1981, the company was listed on the Stock Exchange as Peel Holdings Public Limited Company. ‘Peel’ – the property investment company - was born.

2.3 Over the next two decades the company concentrated on acquiring (and developing) key strategic real estate and venturing into new areas – retail and airports, for example. Developments, events and acquisitions are too numerous to list in their entirety but below is a copy of the selective historic timeline provided by Peel’s PR/marketing division on the Group’s website:

- **1971 – 1983** John Whittaker, who started the Peel we know today, brings Peel Mills, John Bright’s and his own businesses of textiles, farming and quarries together.

- **1983** Peel Holdings is listed on the London Stock Exchange.

- **1983** Peel acquires Bridgewater Estates, which has a portfolio of 12,000 acres in and around Manchester and Salford.

- **1987** The future of the Manchester Ship Canal is secured when it is added to Peel’s portfolio of businesses.

- **1989** London Shop plc (renamed Peel South East) was acquired extending the Group’s geographical spread of investment portfolio. The London Shop portfolio included office and town centre properties, largely in the South East.

- **1997** Peel embarks on the creation of an airports group through the acquisition of 76% of Liverpool Airport, becoming wholly owned in 2000, later renamed Liverpool John Lennon Airport. This is followed by the acquisition, in 1999, of the former RAF Finningley. Its redevelopment in 2005 turns it into the newest commercial airport in the UK and it is renamed Robin Hood Airport Doncaster Sheffield. Peel also acquires a 75% stake in Durham Tees Valley Airport in 2003.

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\(^{18}\) ibid
1998  The Trafford Centre opens after a long running planning process.
2003  Peel acquires Clydeport plc and its west coast Scottish ports.
2004  Peel Holdings is taken private.
2005  Acquisition of the Mersey Docks and Harbour Company bringing together the Port of Liverpool and the Manchester Ship Canal with Clydeport and Medway Ports makes Peel Ports division the second largest ports group in the UK.
2007  Planning permission granted for MediaCityUK – the largest purpose-built media community in Europe. The 200-acre waterfront site on Salford Quays will be home to the BBC, ITV, the University of Salford and other creative industries.
2008  Peel propose a £50 billion investment strategy for the North West spanning the next 50 years named Ocean Gateway. The aim is to establish the River Mersey and Manchester Ship Canal corridor as a source of new jobs, investment, development and environmental improvements.
2009  Gloucester Quays Outlet opens.
2010  Vancouver Airport Services acquired a 65% share in Peel Airports Ltd.
2011  The Trafford Centre, delivered by The Peel Group, became part of Capital Shopping Centres plc. Also in 2011, The Peel Group acquired a controlling interest (71%) in Pinewood Shepperton Studios, the global film and television studio operation.
2012  The Peel Group announced in August 2012 that it had reached an agreement with the Emerson Group for the purchase of the Lowry Outlet Mall at Salford Quays. The deal incorporates the Mall retail and leisure experience, as well as the car park.\textsuperscript{19}

2.4  These ‘landmarks’ represent those events Peel is keen to highlight as major successes or turning points, of course. Not all of them – some major – went smoothly. A number involved Peel ‘locking horns’ with hostile or suspicious local authorities and unhappy local communities. Manchester City Council was deeply resistant, for example, to the takeover and privatisation by the company of the Manchester Ship Canal. And it took nine years for the Trafford Centre planning application to be approved (from conception to opening, 14 years) - the project reportedly gave rise to one of the most protracted and complex planning processes in British history.

2.5  Neither does Peel’s ‘timeline’ include all key events - other developments are played down or omitted entirely. There is no mention of its 2008 acquisition of the Scout

\textsuperscript{19} The Peel Group website: Some of the landmarks that shape Peel today. Accessed 24 January 2013
Moor Wind Farm (the largest onshore wind farm in the UK) in Greater Manchester, for example, which marked the conglomerate’s first steps into the energy sector.

2.6 Details of some of the ‘milestone’ acquisitions – and of the issues and controversy surrounding many of them - are provided in sections 7 and 9.

2.7 From the mid-1990s on, Peel was a major beneficiary of European Structural Funding – not least because a number of its major interests at the time (its regional airports, for example) were located in Objective One designated areas and therefore deemed ‘top priority’ when it came to the distribution of public EU investment.

2.8 In 2004, after nearly two decades as a publicly listed company, Peel Holdings was taken back into private ownership. This is discussed at greater length in the next section.

2.9 The corporation was known as Peel Holdings between 1971 and 2004. The change of name to The Peel Group upon re-privatisation in 2004 more accurately reflected the conglomerate nature of the organisation, although it masks the fact that a significant proportion of the hundreds of businesses within the ‘Group’ are, indeed, holding companies.

2.10 Since re-privatisation, Peel’s ambitions have evolved and grown. From ‘one-off’ or self-standing investment projects involving millions of pounds, it has in recent years set its sights on major, sprawling infrastructure, development and regeneration schemes involving *hundreds* of millions – now even billions – of pounds. There has been a subsequent shift in its ‘vision’ statements, which more recently have conveyed a sense of Peel’s ‘long term’ take on things:

“Peel has a long term horizon – there is no interest in quick fixes.”

This serves to explain and justify, arguably ‘post-facto’, the astonishingly long-term nature of two of Peel’s current ‘mega projects’ on Merseyside – Wirral Waters and Liverpool Waters, both of which are anticipated to take in excess of 30 (and as many as 50) years to complete.

2.11 The Peel Group was founded upon ‘old money’ but its aspirations and its corporate character and practice are distinctly ‘modern’, as will be demonstrated in subsequent sections of this report.

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3] Ownership

3.1 From the 'horse's mouth':

“The Peel Group is controlled by the Bellown Trust, which was established by my father, John Whittaker, and whose discretionary beneficiaries and are myself and other members of the Whittaker family. The Bellown Trust is based in the Isle of Man and owns approximately 73 per cent, of Peel, of which I am Executive Chairman. The investment in Peel is by far the most substantial asset within the Bellown Trust. The remainder of the Peel Group is owned by the Olayan Group.”21

3.2 The above, sent in June 2011 and concerning the acquisition by Peel of Pinewood Shepperton PLC, was signed John Whittaker. An almost identical description was given in a letter written by him to shareholders on ‘Capital Shopping Centres Group PLC: Proposed Transactions with the Peel Group’ dated 12 January 2012.

3.3 An earlier insight into its convoluted ownership arrangements was provided by the conglomerate in a ‘Peel Holdings PLC Minority Buyout Proposal’ in 2004:

“John Whittaker has been Chairman of Peel since 1973 … The Whittaker Group comprises Tokenhouse Holdings Limited (a private company controlled and 99.4% owned by the trustees of the Whittaker family trust), Cronkdean Limited (a private company owned by Tokenhouse Holdings Limited), Cheesden Investment Limited (a private company owned by the trustees of the Whittaker family trust) and Velida Investments Limited (a private company ultimately owned by the trustees of the Whittaker family trust), together with a pension fund in which family members of John Whittaker have an interest”.22

3.4 The bottom line is that Peel, to all intents and purposes, is ‘family owned’. No secret is made of this, of course; indeed, a virtue is made of the fact on the Group’s website:

“Peel is a family owned group and we retain family values.”23

3.5 The 25% share of Peel owned by the Olayan Group is not insignificant, however. The Group in question is a Saudi conglomerate run for over fifty years by the founding patriarch Sulaiman S. Olayan (now deceased) and currently governed in part by no fewer than four of his grown offspring.

3.6 Founded in 1947 and based in Al-Khobar, Saudi Arabia, with offices dotted in major cities around the world, including London, it operates as a subsidiary of Olayan Investments Company Establishment.

21 Recommended Cash offer by Peel Acquisitions (Pegasus) Limited for Pinewood Shepperton PLC: Letter from the Chairman of Peel Acquisitions. 3 June 2011
22 Peel Holdings PLC. Minority Buyout Proposal. 30 June 2004
23 The Peel Group website: Message from John Whittaker, Chairman. Accessed 24 January 2013
Through its network of subsidiaries, Olayan dabbles in everything and anything:

“It manufactures and markets personal care products, biscuits, and paper cups; distributes consumer products; provides financial and investment services; operates restaurant franchisees in Saudi Arabia, Oman, Bahrain, Qatar, the United Arab Emirates, and Egypt; provides health care supplies and services; and manufactures disposable surgical coverings. The company also sells and supports industrial equipment, such as trucks, engines and generator sets, farm equipment, sprinkler systems, and industrial compressors and tools; and provides industrial and fabrication services, including oil industry testing, inspection and repair, drilling materials and services, industrial engineering, turnaround, machining and remanufacturing, precision parts fabrication, and hazardous waste processing. In addition, it manufactures aluminum extrusion and building products, solar panels, stretch film wraps, PVC pipes, reinforcing steel, and soft drink cans; sells and supports office automation equipment; and operates a franchisee of printshops. Further, the company provides project management and planning services for infrastructure projects; provides property investment, development, and management; and operates a residential and office complex. Furthermore, it distributes fast-moving consumer goods, building supplies, telecommunication equipment, and industrial equipment.”

Indeed, Olayan makes Peel look veritably focused.

One business analyst examining Peel’s ambitions in 2011 described Olayan as “a diverse industrial group, it owns stakes in a wide range of businesses. It operates like a sovereign wealth fund, investing and influencing. And it doesn’t have to own the businesses outright to have a massive influence.”

Peel describes its partner as:

“a private multinational enterprise comprising 50 companies and affiliated businesses engaged in distribution, manufacturing services and investment in Saudi Arabia. It operates or actively participates in more than 40 countries, often in partnership with leading multinationals. Internationally it is a global investor, with emphasis on both public and private equities and on fixed income securities.”

For all of this, there is little evidence to suggest that Olayan is anything other than a ‘sleeping partner’ – a mere investor. It is also difficult to establish precisely which ‘bit’ of the Peel ‘whole’ Olayan is actually involved in, given a) the labyrinthine nature of the conglomerate’s company structure (which will be explained more fully in the following section) and b) the fact that the major holding companies and the parent company (see below) are registered abroad in jurisdictions not known for their transparency.

The family ownership of the Peel conglomerate is not immediately apparent from company returns and accounts because most of the businesses link back to the ‘parent’ company via a complex series of intermediate holding companies. Most of these have only one shareholder and this will tend to be a holding company a notch further up the ‘chain’ of ownership.

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25 ‘In Focus: John Whittaker and world domination’, North West Business Insider. 17 October 2011  
26 Capital Shopping Centres Group PLC. Proposed Transactions with the Peel Group: Letter from the Chairman to Shareholders. 25 January 2012  
27 ‘In Focus: John Whittaker and world domination’. North West Business Insider. 17 October 2011
3.12 The table below provides some ‘at a glance’ information about the chain of ownership and the interactions between Peel companies. The colour blocking indicates the connections. The data has been extracted from the latest annual accounts (March 2012) of eight Peel corporations registered in the UK and cross-referenced with information published by Duedil.


<table>
<thead>
<tr>
<th>COMPANY NAME</th>
<th>PRINCIPAL ACTIVITIES (COMPANY TYPE)</th>
<th>IMMEDIATE PARENT COMPANY</th>
<th>LARGEST GROUP OF COMPANIES OF WHICH CO. IS A MEMBER</th>
<th>ULTIMATE HOLDING COMPANY</th>
<th>ULTIMATE CONTROLLING PARTY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peel Ports Shareholder Financeco Ltd</td>
<td>Intermediate holding company</td>
<td>Peel Ports Holdings (CI) Ltd: Cayman Islands</td>
<td>N/A</td>
<td>Tokenhouse Ltd: Isle of Man</td>
<td>Billown 1997 Settlement Trust: Isle of Man</td>
</tr>
<tr>
<td>Peel Holdings (Land and Property) Ltd</td>
<td>Property investment, property development and trading</td>
<td>Peel Holdings Land and Property (UK) Ltd: Great Britain</td>
<td>Peel Holdings Group Ltd: Isle of Man</td>
<td>Tokenhouse Ltd: Isle of Man</td>
<td>Billown 1997 Settlement Trust: Isle of Man</td>
</tr>
<tr>
<td>Peel Holdings (Ports) Ltd</td>
<td>Intermediate holding company</td>
<td>Peel Ports UK Financeco Ltd: Great Britain</td>
<td>Peel Ports Shareholder Financeco Ltd: Great Britain</td>
<td>Tokenhouse Ltd: Isle of Man</td>
<td>Billown 1997 Settlement Trust: Isle of Man</td>
</tr>
<tr>
<td>Peel Holdings Land and Property (UK) Ltd</td>
<td>Property investment, property development and trading</td>
<td>Peel Holdings Ltd: Isle of Man</td>
<td>Peel Holdings Group Ltd: Isle of Man</td>
<td>Tokenhouse Ltd: Isle of Man</td>
<td>Billown 1997 Settlement Trust: Isle of Man</td>
</tr>
<tr>
<td>Peel Ports Investments Ltd</td>
<td>Intermediate holding company</td>
<td>Peel Ports Ltd: Great Britain</td>
<td>Peel Ports Holdings (CI) Ltd: Cayman Islands</td>
<td>Tokenhouse Ltd: Isle of Man</td>
<td>Billown 1997 Settlement Trust: Isle of Man</td>
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<tr>
<td>Peel Ports Ltd</td>
<td>Intermediate holding company</td>
<td>Peel Ports Holdings Ltd: Great Britain</td>
<td>Peel Ports Shareholder Financeco Ltd: Cayman Islands</td>
<td>Tokenhouse Ltd: Isle of Man</td>
<td>Billown 1997 Settlement Trust: Isle of Man</td>
</tr>
<tr>
<td>The Mersey Docks and Harbour Company Ltd</td>
<td>Provision of port facilities and cargo handling and marine related services</td>
<td>Peel Ports Investments Ltd: Great Britain</td>
<td>Peel Ports Shareholder Financeco Ltd: Great Britain</td>
<td>Tokenhouse Ltd: Isle of Man</td>
<td>Billown 1997 Settlement Trust: Isle of Man</td>
</tr>
</tbody>
</table>
3.12 All Peel roads lead ultimately to Tokenhouse Limited, which is controlled by the Whittaker family – more specifically the patriarch, John Whittaker. Nine separate vehicles are registered (at his place of residence) on the Isle of Man:

- Tokenhouse Limited
- Tokenhouse Group (IOM) Ltd
- Tokenhouse Holdings (IOM) Ltd
- Tokenhouse Holdings Ltd - previous
- Tokenhouse Investments (Guernsey) Ltd - previous
- Tokenhouse Investments (IOM) Ltd
- Tokenhouse Investments Ltd - dissolved
- Tokenhouse Investments Ltd
- Tokenhouse Management Ltd

These Tokenhouse companies sit alongside 45 Isle-of-Man registered companies that are clearly recognisable as being part of the Peel fold. All are registered at Billown Mansion, John Whittaker’s private residence.

3.13 According to the latest company return submitted in September 2012, Tokenhouse Limited has just two directors – John Whittaker and a Gillian Gelling. The latter is an elusive character. Her name is given as the ‘contact’ for a number of Peel ventures (Pinewood Studios Group, for example) but her role and status is unclear. Resident on the Isle of Man, she may be ‘kin’ or she might possibly be a secretary or personal assistant to Whittaker.

3.14 The registered agent for Tokenhouse is the Appleby Trust (Isle of Man) Limited, based in Douglas. It is part of Appleby Global, self-styled as “the world’s largest provider of offshore legal fiduciary and administration services”, with operating arms in most of the world’s main tax havens, including the Cayman Islands, the British Virgin Islands, Guernsey, Mauritius, Jersey, Hong Kong and Bermuda. The organisation describes itself thus:

“Appleby is an organisation of separate entities and legal practices comprising both corporate and partnership form, each established to provide legal, fiduciary and administration services under the Appleby name from the numerous jurisdictions in which it is based. Appleby British Virgin Islands, Appleby Guernsey, Appleby Hong Kong, Appleby Jersey and Appleby London are all general partnerships providing legal services from their relevant jurisdictions. Appleby (Bermuda) Limited, Appleby (Cayman) Ltd., Appleby (Isle of Man) LLC, Appleby (JV) Ltd & Cie in Mauritius, Appleby Corporate Services (Seychelles) Limited and Appleby (Zurich) LLC are all corporations with limited liability providing legal services from their relevant jurisdictions.”

3.15 The end of the line for Peel and Tokenhouse, where most (if not all) assets are concerned, is the Billown Trust:

“Peel Holdings Group Limited … is controlled by the Billown Trust, the beneficiaries of which are John Whittaker and other members of the Whittaker family.”

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28 Isle of Man Companies Registry. Accessed 24 January 2013
29 Form IMAR: Isle of Man Companies Registry. Annual Return. 27 September 2012
31 Annex to the Schedule One Announcement. Further Information on Pinewood Shepperton plc in connection with its proposed admission to trading on AIM. 22 June 2012
and:

“The ultimate holding company in the year ended 31 March 2010 was Tokenhouse Limited, a company incorporated in the Isle of Man. Tokenhouse Limited is controlled by the 1997 Billown Settlement Trust.”

and:

“The Peel Group is controlled by the Billown Trust. The Billown Trust (of which John Whittaker is a discretionary beneficiary) is based in the Isle of Man and owns 73.2 per cent of the Peel Group.”

3.16 No information is publicly available about this Trust; it is impenetrable, as was confirmed in the offering circular drawn up when Peel Land and Property Investments plc floated new shares in June 2010:

“None of the Lead Managers or the Trustee have conducted any independent verification of the 1997 Billown Settlement Trust and its beneficiaries nor do they have knowledge of the terms of the 1997 Billown Settlement Trust which they understand from the Issuer [Peel Land and Property] to be a private family trust.”

It is remarkable that those responsible for making legal and financial arrangements for Peel are content to acknowledge that they have not independently checked the legal and financial arrangements of the ultimate parent trust.

3.17 John Whittaker essentially is Peel. He is recorded as sitting on the board of around 305 companies, almost all of them part of the Peel fold. Although a very private individual, there is no doubt that he drives the conglomerate and is very much at the helm when it comes to major strategic plans and decisions. It is widely agreed that Whittaker is a hard-headed and driven businessman, his “critical virtues of success” listed as “shrewdness, patience and tenacity”. He is recognised as a clever and determined ‘wheeler dealer’:

“He is the arch deal-doer. He plays hard-ball, he never gives in and always gets what he wants in the end.”

and is repeatedly described as hard-working – “he clearly never stops”.

In one particular trade battle, Mr Whittaker’s commercial rival reportedly “faced a formidable opponent’ in Whittaker, say industry insiders, who describe him as ‘very astute, very clever and a very good businessman’.

And Mr Whittaker plays his cards very close to his chest:

“Second-guessing John Whittaker is about as clear-cut as reading tea leaves, and they would likely yield the same dubious results.”

32 Peel Water Networks Ltd. Annual Report and Financial Statements for the Year ended 31 March 2010
33 Capital Shopping Centres Group plc. Proposed Acquisition and Placing of Shares. 25 November 2010
34 Offering Circular. Peel Land and Property Investments plc. 4 June 2010
37 ibid
38 ‘In Focus: John Whittaker and world domination’. North West Business Insider. 17 October 2011
39 ‘Trafford Centre Battle Ends in Peel Group Victory’. The Guardian. 11 January 2011
In 2005, one banker revealingly said of Whittaker’s negotiations in relation to the acquisition of the Mersey Docks and Harbour Company:

“Either the mean streak he’s had for 60 years has disappeared or it’s just maths.”

3.18 We are in no position to determine whether Peel’s owner is “mean”. Only one reference – a journalistic one - could be found to the kind of remuneration paid to senior Peel executives:

“During the year, the [Peel] group awarded a salary package of £369,000 to its highest paid director.”

Our own research revealed that executive directors have been paid as much as £700,000, including pension payments, in recent years. This doesn’t begin to match average senior salaries in, say, the banking sector but it does compare favourably to CEO and equivalent senior pay packages in both the public and private sector. It certainly isn’t ungenerous.

3.19 John Whittaker has four adult children, at least three of whom work or have worked for the family business. Two of his sons are currently senior executive directors and sit on several Peel company boards. His daughter works as a Marketing and Public Relations Manager at The Trafford Centre and plays a lead role in Peel’s charitable arm.

3.20 Mr Whittaker is in his early seventies. Though he has not stated his future plans, it has been suggested in some industry quarters that he will be looking to wind down his personal involvement in the business in the near future. The natural assumption – though it is nowhere stated outright - is that the business will be passed on to one or more of his sons.

3.21 An interesting take on the Peel mogul, his business acumen and the future came from the Big Issue magazine in 2010:

“Fans portray Whittaker as a shrewd long-term investor with an enviable track record in job creation and regeneration. Critics claim his success is largely down to juggling Peel’s £5 billion property portfolio in a benign low interest-rate environment. The jury is out on whether he has built a sustainable empire that can survive his eventual retirement – his son is a director – and a hostile business environment. Even someone as influential as Whittaker has been forced to concede that his company can’t start building Wirral Waters until the recession is over.”

3.22 Private ownership carries risks as well as benefits, of course. In theory, all of the costs and profits associated with the Group’s activities are borne by the family. In practice, however, Peel has been adept at securing other people’s and other organisations’ money to carry an equal or even greater burden of the cost of major

40 ‘Profile: John Whittaker’. The Scotsman (Business), 28 March 2010
41 ‘Whittaker closes in on Mersey Docks’. The Telegraph. 3 February 2005
42 ‘Peel Holdings Posts Robust Results for 2011’. Manchester Confidential. 4 January 2012
43 ‘Hot Property: 50 Most Influential Northerners’ (Feature). Big Issue in the North. 24 October 2010
investment projects – thus reducing its own risks substantially. This is no doubt a major key to the conglomerate’s success.

3.23 Private ownership ensures control and maximised enjoyment of profit. Clearly, the public ownership experiment tried between 1983 and 2004 did not suit (although the Whittaker family retained a majority share throughout and by the time of privatisation, ‘free floating shares’ represented just 6.6 of the issued share capital). There was little coverage of the return to private ownership in September 2004 but Whittaker was much later reported to have claimed that “Peel didn’t need money from the City, and would prefer to re-invest earnings rather than fork out dividend payments”\textsuperscript{44}. He said at the time of the re-privatisation:

“The majority shareholders wish to be free to develop Peel in a more flexible way that is commensurate with the prospects and risk profile of the Peel Group. This may involve taking decision that might be unattractive to remaining minority shareholders … The majority shareholders want to provide minority shareholders, who are faced with the limited liquidity of Peel shares, with an opportunity to realise their investments in Peel at a favourable time in the property cycle”.\textsuperscript{45}

3.24 One commentator wrote in late 2011:

“When John Whittaker took Peel Holdings private in 2004 the perceived wisdom among onlookers was that he didn’t like running PLCs. The regulation, the scrutiny, the short view of share-price watchers. Not to mention the sheer publicity of being public for a man who famously dislikes media scrutiny.”\textsuperscript{46}

3.25 The group “reported an overall rise in turnover from £161.2m to £214.5m for the year to March” in the year before the re-privatisation and also reported more or less maintained profit levels. According to local press coverage, Peel Holdings (described as the conglomerate’s “Acquisitions arm”) borrowed £55m (“loan facility”) from the Royal Bank of Scotland’s corporate banking arm in order to privatise the conglomerate. Peter Scott, managing director of Peel Holdings, said:

“Bringing the company back to private status is a real event in the history of Peel Holdings and we are pleased to have achieved this with the help of our bankers.”\textsuperscript{47}

3.26 An interesting comment piece, from the point of view of Peel and public versus private ownership (and the attendant issues of transparency and accountability), was published on the Place North West website in late 2011. It is worth quoting at length:

“It feels like a distant memory but Peel Holdings was listed on the London Stock Exchange for more than 20 years, from 1983. When Peel acquired Mersey Docks & Harbour Company in 2005 it soon went private also, subsumed into the Peel Ports division. /But like it or not, some of the country’s best assets are still afloat on the London Stock Exchange and the City clearly has its attractions to the billionaire Isle of Man-based dealmaker. /We can now see Whittaker working his corporate magic at three public listed companies: UK Coal, Pinewood Shepperton and Capital Shopping Centres. Pits. Films. Shops. Never dull inside the Peel empire is it? He also has shares in Land Securities and there are no doubt many other companies where he

\textsuperscript{44} Profile: John Whittaker. The Scotsman (Business). 28 March 2010
\textsuperscript{45} ‘Property Group Peel goes private in £1.3bn buy-out’. The Independent. 1 July 2004
\textsuperscript{46} ‘Seeing 1% of John Whittaker’. Place North West. 20 October 2011
\textsuperscript{47} ‘Peel going back into private ownership’. Daily Post. 1 September 2004.
has stakes too small to require declaration. And he's had a busy year of it in the City; selling Trafford Centre to CSC and exerting his influence on the board, lining up waste developments on UK Coal sites and knitting Pinewood into his growing media interests. From a news reporting perspective stock exchange requirements offer the chance to see the mechanics of deals, appointments, financing, not to mention trading performance and results, up close, as they happen rather than having to wait for the comparatively slow and opaque Companies House records. At a very conservative estimate, I would say Whittaker has 300 companies in his interests. We can have a decent look at three. It will be intriguing to see the extent to which the attention of shareholders in those listed companies forces Whittaker to have to engage with media and court the analyst and investment community as CSC and Pinewood deals, in particular, play out in the public arena in the coming months. Let's hope it's a greater extent than we've been used to, and enjoy it while it lasts.48

3.27 A feature of John Whittaker’s style of governance is that he has surrounded himself, over the years, with a series of able, loyal and trusted ‘lieutenants’ at both board and executive level. A number of them – notably Paul Wainscott, Steven Underwood, Neil Lees and Peter Hosker – have for years sat on dozens (sometimes scores and even hundreds) of Peel company boards. Neil Lees, for example, was listed in late 2012 as holding 609 current appointments; Peter Hosker, 210; Peter Scott, 325; Steven Underwood, 319; and Paul Wainscott, 474.49

3.28 Not all of these director- and secretary-ships are necessarily Peel related but documents relating to the Pinewood Shepperton takeover in 2011 suggest that they are – an offering circular drawn up in June 2010 for Peel Land and Property Investments plc, for example, listed the directors as: John Whittaker (Chairman); Paul Wainscott (Finance Director); Mark Whittaker (Property Investment Director); Steven Underwood (Corporate Development Director); Michael Butterworth (Property Director); David Glover (Construction Director); Peter Hosker (Legal Director) and Neil Lees (Director and Company Secretary) – and pointed out that “[n]one of the Issuer’s directors has any principal activities outside companies owned and controlled by Peel Holdings Limited or Tokenhouse Limited.”50

3.29 One of the most significant of the ‘Peel men’ (they are all men) – Robert Hough – has held two of the most powerful unelected positions in the North West, first as Chair of the North West Regional Development Agency and now as Chair of the Liverpool City Region Local Enterprise Partnership (LCR LEP). Only passing reference is made to his Peel associations, however, in his extensive biography on the LCR LEP website. More detail about Mr Hough and other ‘Peel people’ is provided in section 13.

3.30 As non-executive directors, these individuals, some of whom have been ‘with’ Peel for many years, do not obviously share in the ownership of the conglomerate. Although it is not possible to access information about their pecuniary interests in the brand, or even whether some or all of them serve in some capacity as paid ‘company’ employees, it might reasonably be assumed that they are rewarded in cash or in kind for their involvement.

48 'Seeing 1% of John Whittaker'. Place North West. 20 October 2011
49 Current Appointments Report for Peel Holdings (Management) Ltd. Companies House. 9 October 2012.
50 Offer Circular. Peel Land and Property Investments plc. 4 June 2010
4] Corporate Character

4.1 Conglomerates are by their very nature complex entities, with correspondingly complex organisational, governance and financial arrangements. The Peel Group is no exception, a vast and complex network of interlocking and overlapping business interests held together under an umbrella or ‘brand’ heading. It is subsequently difficult to unpick the threads and make sense of the structures. This is implicitly acknowledged. In a preview of a Peel feature broadcast on the BBC’s Inside Out North West programme in early 2012:

“The current affairs show … has taken a look at some of the group’s future plans. But it has not conducted an investigation into the complex network of interests owned by the company and its chairman John Whittaker – which range from coal mines to film studios.”

4.2 Peel does have a hierarchical structure, although it appears at first glance as a sprawling network of inter-related companies. Decision-making and profit clearly flows, albeit in a convoluted fashion, ‘up’ to the parent company, Tokenhouse.

4.3 In 2010 a Scottish newspaper article picked up on the fact that Peel was in fact a sizeable conglomerate, suggesting it comprised around 100 companies. An article published in 2011 suggested three times as many: “At a very conservative estimate, I would say Whittaker has 300 companies in his interests.” ‘Conservative’ is the operative word. We have identified well in excess of 300 separately registered UK companies owned or controlled by ‘Peel’, dozens more in which Peel has significant shareholdings and sixty to seventy registered but currently dormant (or non-trading). Over fifty additional, directly related businesses are registered on the Isle of Man. There are undoubtedly many individual corporations and ‘groups’ we have failed to spot as being associated with Peel. We only discovered by chance, for example, the existence of De Facto 1693 Limited, registered as being engaged in the “Development and Selling of Real Estate” and said to have a book value of just under £5m. Its parent company is Peel Ports Investments Limited and A&P Ports and Properties Limited is listed as a subsidiary company. Similarly Rhads Hotel Ltd, Portia World Travel Ltd, Corinium Properties, Estuary Services Ltd and Rio De Janiero Land, Mortgage & Investment Agency Company Ltd are all Peel subsidiaries. There are scores more.

4.4 Consider Toll House Motors Limited, incorporated in 1965. It is registered and operational at the Peel Dome in the Trafford Centre. A private limited company with share capital, wholly owned by its (dormant) parent company Peel Investments (NW) Limited, its five directors are John Whittaker, Paul Wainscott, Neil Lees, Steven Underwood and Peter Hosker. The company did not trade during the year ending 31 March 2012 but submitted, as required, an annual return and accounts in autumn 2012. Its operational links with the ‘Peel’ brand are unclear.

51 ‘BBC’s Inside Out turns the spotlight on Peel Holdings.’ http://www.how-do.co.uk, 20 February 2012
52 ‘Seeing 1% of John Whittaker. Place North West. 20 October 2011.
FIG 3: Organogram – A snapshot of some of the companies within the Peel fold and the way in which they are linked.
4.5 There are clearly any number of additional companies directly associated with John Whittaker, Billown Mansion and/or the Peel Empire that are not apparent during a cursory search for Peel concerns. Largs Limited, for example, is a company involved in “the development of real estate”. It is registered at Billown Mansion on the Isle of Man, with its trading address at the Peel Dome in the Trafford Centre. Peel Land and Property Investments Plc is its parent company and its total assets are reported to amount to around £571,715,000.\(^{54}\) Familiar Peel faces sit on the boards of Largs and its subsidiaries. Related companies like this tend to fly ‘beneath the radar’.

4.6 A legal document prepared in summer 2012 listed 300 current Directorships and Partnerships for John Whittaker.\(^{55}\) The list does not appear to include directorships of companies registered abroad, however – and may now, of course, be a little out of date.

4.7 John Whittaker also owns Albright Investments, which is registered in the Cayman Islands and has its trading address as Billown Mansion. This is no small-time ‘side line’. It is through this particular vehicle that Whittaker bought a £300 million stake in Land Securities, another conglomerate described as “Britain’s largest property group” – and which received £15.5m in payments (presumably for rent) from the Department for Communities and Local Government in the 2010/11 financial year. (It also owned St John’s Shopping Centre in Liverpool City Centre, for a time.)

4.8 Towards the end of 2012, the local Isle of Man press reported that a couple had “sold Greyney Moor, Glen Road, Colby, for £2,100,000 to Cheesden Investments Ltd, Billown Mansion, Malew”.\(^{56}\) Two years earlier, the Isle of Man Government Planning Committee received an application (subsequently refused) from the same Cheesden Investments Ltd.\(^{57}\) There is no information publicly available about this company, although a reference was made to it in Peel’s successful 2004 bid to take the conglomerate back into private ownership (see 3.3).

4.9 Goodweather Investment Management Ltd, “a subsidiary of Peel Holdings Group Limited”, was used to purchase a majority share of Pinewood Shepperton in 2012 (see section 9). It was registered in 2008 in the Cayman Islands, with place of business Billown Mansion (although according to the CI company register, its registration was cancelled in 2011, when the company was dissolved). Two Goodweather holding companies are currently registered in the Isle of Man. Note that this does not apparently square with the unequivocal statement made in a legal document produced in summer 2012: “Goodweather Investment Management Limited is registered in the Cayman Islands”.

4.10 The three examples above do not represent ‘small beer’ – these and similar companies are dealing in huge amounts of money. They are all registered off-shore. They all operate at arm’s length from the Peel brand. They are all ultimately controlled by the Billown Trust.

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\(^{54}\) Duedil Limited. [www.duedil.com](http://www.duedil.com), 10 January 2013

\(^{55}\) ‘Appendix to the Schedule One Announcement. Further information on Pinewood Shepperton plc in connection with its proposed admission to trading on AIM. Current Directorships and Partnerships’. 22 June 2012

\(^{56}\) ‘Colby home sells for £2.1m’. Isle of Man Today. 20 November 2012.

\(^{57}\) Isle of Man Planning Committee: Minutes. 21 May 2010.
4.11 New Peel companies, or clusters of companies, spring up all the time. May 2012, for example, saw the incorporation of Peel Waters and Sam Wa Investments Ltd, a vehicle set up to conduct business relating to the Wirral Waters scheme (see section 15). On 30 November 2012 alone, four new companies were incorporated: Peel Property Intermediate Ltd, Peel Airports (Management) Ltd, Peel Investments (Rhads) Ltd and Peel Airports Limited.58

4.12 Given all this, we would fairly confidently estimate that the Peel ‘empire’ actually consists of well in excess of 400 individually registered companies, potentially scores and even hundreds more. By way of a sample ‘snapshot’, below is a list of some of the Group’s energy/environmental/utility concerns alone, which represent one of Peel’s more recent ‘growth’ sectors. Each is a separately constituted and incorporated company. The list is far from exhaustive – it does not, for example, include the myriad of energy/environmental/utility companies that are owned or controlled by Peel but do not carry its brand name (eg: Ayrshire Power Limited, which is owned by Ayrshire Power Holdings Limited, which is in turn owned by Peel Holdings Energy (IoM) Limited, which is in turn owned by Tokenhouse Limited).

- Peel Utilities Ltd
- Peel Utilities Electricity Ltd
- Peel Utilities Holdings Ltd
- Peel Utilities Services Ltd
- Peel Utilities Water Ltd
- Peel Wind Farms (Asfordby) Ltd
- Peel Wind Farms (Blue Sky Forest) Ltd
- Peel Wind Farms (Frodsham) Ltd
- Peel Wind Farms (Garleffan) Ltd
- Peel Wind Farms (Heysham) Ltd
- Peel Wind Farms (Liverpool) Ltd
- Peel Wind Farms (Management) Ltd
- Peel Wind Farms (No 1) Ltd
- Peel Wind Farms (Plenmeller) Ltd
- Peel Wind Farms (Projects) Ltd
- Peel Wind Farms (Scout Moor) Ltd
- Peel Wind Farms (Seaforth) Ltd
- Peel Wind Farms (Sheerness) Ltd
- Peel Electricity Networks Ltd
- Peel Electricity Services Ltd
- Peel Energy Ltd
- Utilities Services (Mediacity UK) Ltd
- Peel Energy (Barton) Ltd
- Peel Energy CCS Ltd
- Peel Energy (INCE) Ltd
- Peel Energy (No 2) Ltd
- Peel Environmental Ltd
- Peel Environmental Holdings Ltd
- Peel Environmental Ince Ltd
- Peel Environmental Management (UK) Ltd
- Peel Wind Farms (Broughton Lodge) Ltd
- Peel Facilities Ltd
- Peel Waste Holdings Ltd
- Peel Water Ltd
- Peel Water Networks Ltd
- Peel Water Services Ltd
- Peel Water Services Holdings Ltd
- Peel Water Solutions Ltd
- Peel Holdings Energy (IoM) Ltd
- Peel Holdings Energy (No 3) Ltd
- Peel Holdings (Environmental) Ltd
- Peel Holdings (Utilities) Ltd
- Peel Holdings (Waste) Ltd

A notable feature is the way in which Peel companies are named. Intentionally or otherwise, some of the companies are barely distinguishable the one from the other:

- Peel Land and Property Limited
- Peel Holdings (Land and Property) Limited
- Peel Holdings Land and Property (UK) Limited
- Peel Ports Land and Property Investments (No. 2) Limited
- Peel Investments (Land and Property) No.1 Limited
- Peel Land and Property Investments Plc
- Peel Land and Property (No.2) Limited (Non-trading)

Peel has even resorted to simply numbering individual vehicles: Peel Energy Ltd, Peel Energy (No 2) Ltd, Peel Holdings Energy (No 3) Ltd. Such entities are apparently little more than ‘virtual’ concerns.

Similarly, Peel Holdings (Land and Property) Limited is parent company to: Peel Holdings (Environmental) Limited and Peel Environmental (Holdings) Limited and to: Peel Holdings (Telecommunications) Limited and Peel Telecommunications (Holdings) Limited. All four are individually registered as holding companies.

All of these companies lead ultimately to the Billown Trust, as evidenced by the Notes to the Financial Statements for Peel Water Networks Ltd for the year ending March 2010:

“The ultimate holding company in the year ended 31 March 2010 was Tokenhouse Limited, a company incorporated in the Isle of Man. Tokenhouse Limited is controlled by the 1997 Billown Settlement Trust. The largest group of companies, of which the company is a member, that produces consolidated accounts is Tokenhouse Holdings (IOM) Limited, a company incorporated in the Isle of Man. The smallest group of companies, of which the company is a member, that produces consolidated accounts, is Peel Holdings (Land and Property) Limited, a company incorporated in England.”

The Peel Group umbrella incorporates a number of branding or marketing divisions – namely:

- Peel Land and Property
- Peel Leisure
- Peel Energy
- Peel Retail
- Peel Utilities
- Peel Overseas
- Peel Ports

A typical example of The Peel Group’s corporate structure. The companies listed were all owned by Peel Holdings (Land and Property) Limited – ‘principle activities of the group are property investment, property development and trading’ – at 31 March 2012.

<table>
<thead>
<tr>
<th>Incorporated</th>
<th>Company</th>
<th>Principal Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bahamas</td>
<td>Beaumont (Bahamas) Ltd</td>
<td>Property investment</td>
</tr>
<tr>
<td>Bermuda</td>
<td>New Windsor Hotel Company Ltd</td>
<td>Holding company</td>
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<tr>
<td>Spain</td>
<td>Peel Developments Espana SL</td>
<td>Property development &amp; investment</td>
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<tr>
<td>Spain</td>
<td>Trafford Centre Espana SL</td>
<td>Property development &amp; investment</td>
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<td>Spain</td>
<td>Peel Investments Espana SL</td>
<td>Holding company</td>
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<tr>
<td>Spain</td>
<td>Peel Investments Andalucia SL</td>
<td>Holding company</td>
</tr>
<tr>
<td>Spain</td>
<td>Peel Developments Andalucia SL</td>
<td>Property development &amp; investment</td>
</tr>
<tr>
<td>England &amp; Wales</td>
<td>Peel Holdings Overseas Ltd</td>
<td>Holding company</td>
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<td>Peel Overseas Ltd</td>
<td>Holding company</td>
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<td>Peel Investments (North) Ltd</td>
<td>Property investment</td>
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<td>Ship Canal Properties Ltd</td>
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<td>Peel Land and Property (Ports) Ltd</td>
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<td>Property investment</td>
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<td>Peel Land &amp; Property (Ports No3) Ltd</td>
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<td>Clydeport Properties Ltd</td>
<td>Property development &amp; investment</td>
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<td>England &amp; Wales</td>
<td>Greathey Investments Ltd</td>
<td>Property investment</td>
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<td>England &amp; Wales</td>
<td>Ince Park Developments Ltd</td>
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<td>Peel Developments (UK) Ltd</td>
<td>Property trading</td>
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<td>England &amp; Wales</td>
<td>The Bridgewater Canal Company Ltd</td>
<td>Operation &amp; management of canals</td>
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<td>Peel Holdings (Environmental) Ltd</td>
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<td>England &amp; Wales</td>
<td>Peel Environmental (Holdings) Ltd</td>
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<td>Water &amp; mineral asset management</td>
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<tr>
<td>England &amp; Wales</td>
<td>Peel Property (Investments) Ltd</td>
<td>Property investment</td>
</tr>
</tbody>
</table>

Source: Peel Holdings (Land and Property) Limited: Annual Report and Financial Statements for the Year ended 31 March 2012
New ventures are bracketed into one or more of these and promoted accordingly. Many Peel ventures, projects and assets are also managed and marketed separately, at ‘arm’s length’ from the brand. Pinewood Shepperton – the media group – is an example of this.

4.17 Peel’s assets are not developed and exploited discretely (or discreetly). The conglomerate milks every one for what it is worth - offering its property for use as TV and film locations, for example, via a dedicated MediaCityUK ‘Film and TV Locations’ website. Whether Hollywood directors would choose to film a blockbuster outside a Sunderland branch of Carpetright is, of course, debatable. Indeed, one development plan for Pinewood in Buckinghamshire proposed the construction of ‘themed’ housing which would ‘double up’ as film lots.

4.18 A seminar held in Leeds by Walker Morris, Peel Energy and GVA Grimley in January 2013 made no bones about its purpose – to maximise land value:

“This seminar is aimed at any individual, authority or company with a large land holding interested in maximising the value of their land through wind projects”.

4.19 With complexity comes opacity. The lines of governance at Peel – of responsibility and accountability - are nigh on impossible for the lay observer to trace. We attempted to map out the relationships between the Peel parent and subsidiary or satellite companies but gave up when we could physically fit no more information on the page. Only corporate, legal and financial experts could begin to make sense of the whole.

4.20 A significant proportion of Peel’s companies are registered as holding or intermediate holding companies:

“A company or firm that owns other companies’ outstanding stock. The term usually refers to a company which does not produce goods or services itself; rather, its purpose is to own shares of other companies.”

Furthermore, holding companies “allow the reduction of risk for the owners.”

4.21 A significant proportion of the Peel companies are little more than depositories, their accounts confirming that – although they are registered as ‘active’ and although money has passed in and out of them during the course of a given financial year – they are not actually engaged in ‘trading’ of any kind. Such companies frequently appear to be being ‘held on ice’ for future use.

4.22 All Peel companies have properly constituted boards of directors. These appear to average four to five directors in the main, although they can number as few as three and as many as twelve. There is little obvious correlation between the

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60 MediaCityUK website: Film and TV Locations. Accessed 29 January 2013
63 ibid
size of a company’s board and its relative ‘worth’ or significance within the Peel fold, although all the evidence suggests the boards are composed with thought. As has previously been stated, the same small core of individuals sit on scores, sometimes hundreds, of these boards.

4.23 Most of the companies have just one or two shareholders. These will often be (intermediary) holding companies, which in turn have just one or two shareholders – further holding companies. Invariably, these lead back to the ‘parent’ company, Tokenhouse Limited. This is all entirely legitimate and standard practice for conglomerates of this kind.

4.24 The point ought to be made, however, that in the absence of shareholders there can be no shareholder ‘democracy’ of the kind increasingly being advocated in the private sector. This may not matter in some sectors but – as we hope to demonstrate in Part 2 of this paper - is arguably inadvisable when the privately owned company is involved in major, far-reaching infrastructure projects of the kind proposed by Peel on Merseyside, for example.

4.25 Another consequence of the fact that so many of Peel’s companies are subsidiaries of larger companies, which in turn are subsidiaries of larger companies again, is that it becomes nigh on impossible to ‘follow the money’. Peel is not obliged to submit full company accounts for many of its businesses; they are only required to prepare abbreviated accounts or they come under group accounts.

4.26 Peel has a significant number of companies based off-shore, usually in crown dependencies. By way of example, the following are corporations currently listed on the Cayman Islands General Registry:

→ Peel International Investment Company 140137-SO
→ Peel Limited
→ Peel Ports (Isle of Grain) Limited
→ Peel Ports Finance Limited
→ Peel Ports Holdings (CI No.2) Limited
→ Peel Ports Holdings (CI) Limited
→ Peel Ports PP Finance Limited
→ Peel Properties Limited
→ Tokenhouse Fund Cayman LP

4.27 That the key holding and parent companies are registered offshore is highly significant. Not only does this mean that profits generated by the Peel Group portfolio can be channelled away, thus evading corporation tax and other obligations (discussed in section 6). It also reduces Peel’s obligations in terms of transparency. Tax havens are – almost by definition – secretive jurisdictions.
4.28 The Peel Group claims to be an employer of over 5,000 people. This is quite feasible, given the number of companies involved. The Peel Ports Holdings (CI) Limited group of companies, for example, employed a total of 1,216 employees during the 2011-12 financial year. Mersey Docks and Harbour Company Limited alone employed 382 over the same period and the Peel Holdings Land and Property (UK) group of companies, 125.

4.29 There is little overarching information available as to how the 5,000 breaks down among the various companies – many of the holding companies have no staff - or as to the exact nature of the employment. It is clear, given the diversity of the Group’s interests, that the employment it provides ranges from skilled construction work through security and property management to human resources and public relations.

4.30 What little information is publicly available about Peel staff numbers tends to come via the Peel Group itself, with no supporting evidence. It is unclear whether those working ‘for’ Peel are directly employed (on the ‘payroll’, so to speak) or indirectly, via sector agencies or employers who are Peel tenants (such as the BBC in Salford, for example). All of this matters, as Peel is promising great things in the way of both temporary and permanent job creation via its proposed Wirral and Liverpool Waters developments.

4.31 The Accounts submitted on 31 December 2012 for CSC Trafford Centre Group (UK) Limited (holding company: Tokenhouse Holdings Ltd) indicated that that particular Peel concern employed 416 staff with an average staff pay of £18,463.94. Turnover per employee was £211,151.44 and profit per employee was £56,706.73. These accounts are already a little outdated – the ownership of CSC has since changed – but they do give a flavour of staff pay set against the income generation.

4.32 Peel’s describes the key to its success as follows:

“[T]he Peel Group has grown through a philosophy of recycling capital and long term investment, predominantly in the North West of England” and “Alastair Gunn, an analyst at Arbuthnot Securities said Peel had ‘operating synergies and property skills to extract more value than financial buyers can.’”

4.33 A rare opportunity to gain some insight into Peel’s approach to making and investing money comes from a brief video clip taken of senior Peel executive Lindsey Ainsworth speaking at the Shanghai Expo in 2010 (and still accessible at the time of writing) on ‘YouTube’. Speaking to a commercial audience, he explained:

“From a Peel Holdings point of view, we don’t take the profit out of a scheme; we roll it forwards. It takes a few years before something becomes profitable because you are trying to actually lift the values but because Peel is a private company we don’t have to worry about the stock exchange and paying shares and dividends, so that is why we embark on these long term schemes.”

64 Peel Ports Shareholder Financeco Ltd: Report and Financial Statements for the Year to 31 March 2012
65 Capital Shopping Centres Group plc. Proposed Acquisition and Placing of Shares. 25 November 2010
66 ‘Whittaker closes in on Mersey Docks’. The Telegraph. 3 February 2005
4.34 Mr Ainsworth also indicated that “the company motto is: Determination, Perseverance and Patience”, a sound-bite highlighted on The Peel Group website to encapsulate the conglomerate’s ethos. The conglomerate has, in our view, amply demonstrated these qualities. It is prepared to work doggedly for years to secure what it needs to realise its corporate ‘dreams’.
5] Acquiring Assets: A Typical Example

5.1 Peel is adept at celebrating its achievements, using its ‘success stories’ to continually bolster its profile and to support its case for new ventures. On 4 January 2007, the Group put out a press release: “Peel Add Cammell Laird to Port Operations Portfolio”. The sub-title ran: “Peel Holdings today confirmed that they have purchased the Cammell Laird Shipyard from Reddington Finance.” The brief piece went on to describe Peel's plans for the site: “Peel intends to retain the industrial heritage of Cammell Laird and invest for growth and employment in various industrial and port activities for the site. Around 14 tenants already occupy the site and they will be unaffected by the change in ownership.”

5.2 The acquisition reportedly involved a £100m deal, secured after many months of negotiations with Reddington’s owners. Peel actually bought out the entire company; John Whittaker and Neil Lees took over as directors of Reddington Finance Ltd on 14 December 2006, as the previous directors resigned.

5.3 Crucially, the purchase:

“clears the way for Peel to include the former shipyard in its existing £4.5bn Wirral Waters plan to develop Birkenhead’s docklands into a ‘mini-Dubai’ over the next 30 years.”

A “source close to the talks” was quoted as saying:

“It will wrap up the whole of the Birkenhead waterfront area and lead to a massive opportunity for Peel to create an incredible landscape of glittering skyscrapers to rival anything in Europe.”

5.4 The press release failed to make any mention of Wirral Waters (see section 15), although clearly that was what the acquisition was all about, as was widely recognised. Indeed, the Cammell Laird site was a key part of the ‘jigsaw’; securing it allowed an “increase in scale” of Peel’s “regeneration blueprint” for the Wirral Waterfront.

5.5 Nor did the press release reveal whether the ultimate parent company for Peel Ports Operations Ltd was registered in the Cayman Islands. If it wasn’t then, it is now (see overpage).

5.6 The acquisition was spun into a ‘Peel goes from strength to strength’ story but the real story was that the pieces were falling into place for the Wirral Water’s scheme. Given this, the conglomerate’s assurances at the time vis-à-vis Cammell Laird’s “industrial heritage” now ring rather hollow.

5.7 This is a fairly typical example of Peel’s strategic approach to doing business. The Wirral Waters proposals had been unveiled months earlier, even though Peel was

68 ‘Cammell Laird sold for £100m’. Liverpool Echo. 4 January 2007.
69 ibid
still in talks with Reddington Finance. Clearly, the Group was confident at the time that it _would_ secure the Cammell Laird site.

5.8 Once the Group has a “vision” for an area (the word has been used frequently in relation to the conglomerate’s proposals for Merseyside) it works determinedly to overcome any obstacles – not least by buying up the assets it needs to realise that “vision”. That is what property investors _do_, of course – but, as this report will demonstrate, Peel does so with particular, sometimes bullish, tenacity. Note, for example, that Peel has already set its sights upon acquiring further parcels of land adjoining its huge Liverpool Waters campus (see section 16).

5.9 The flowchart below maps out the current ownership chains of both Peel Ports Operations Ltd and Reddington Finance Ltd. Note that ↓ indicates the parent company. Note, too, that several of the companies listed did not exist in winter 2006/07, at the time of the Cammell Laird buyout. Given the speed with which Peel starts up, reconfigures and closes businesses, we see this as academic. The chain of ownership _now_ provides a very clear indication of how things are typically organised.

_Who now owns the Cammell Lairds site?_

<table>
<thead>
<tr>
<th>Peel Ports Operations Ltd</th>
<th>Reddington Finance Ltd</th>
</tr>
</thead>
<tbody>
<tr>
<td>[Year of Incorporation]</td>
<td>[Year of Incorporation]</td>
</tr>
<tr>
<td>↓</td>
<td>↓</td>
</tr>
<tr>
<td>Peel Ports Investments Ltd [2005]</td>
<td>Reddington Holdings Ltd [2004]</td>
</tr>
<tr>
<td>↓</td>
<td>↓</td>
</tr>
<tr>
<td>Peel Ports Ltd [2002]</td>
<td>Peel Land and Property Investments (Ci) Ltd [2006]</td>
</tr>
<tr>
<td>↓</td>
<td>↓</td>
</tr>
<tr>
<td>Peel Ports Holdings Ltd [2002]</td>
<td>Peel Land and Property Holdings (Ci) Ltd [2006]</td>
</tr>
<tr>
<td>↓</td>
<td>↓</td>
</tr>
<tr>
<td>Peel Holdings (Ports) Ltd [2004]</td>
<td>Peel Land and Property (Ports No.3) Ltd [2008]</td>
</tr>
<tr>
<td>↓</td>
<td>↓</td>
</tr>
<tr>
<td>Peel Ports UK Finaneco Ltd [2006]</td>
<td>Peel Investments (Land and Property) No.1 Ltd [2011]</td>
</tr>
<tr>
<td>↓</td>
<td>↓</td>
</tr>
<tr>
<td>Peel Ports Intermediate Holdco Ltd [2006]</td>
<td>Peel Investments Holdings Ltd [2008]</td>
</tr>
<tr>
<td>↓</td>
<td>↓</td>
</tr>
<tr>
<td>Peel Ports Shareholder Financeco Ltd [2006]</td>
<td>Peel Investments (UK) Ltd [2004]</td>
</tr>
<tr>
<td>↓</td>
<td>Peel Land and Property Ltd [2004]</td>
</tr>
<tr>
<td>Peel Ports Holdings (Ci) Ltd [-]</td>
<td>Peel Holdings (Land and Property) Ltd [2005]</td>
</tr>
<tr>
<td>Registered in the Cayman Islands</td>
<td>Peel Holdings Land and Property (UK) Ltd [2008]</td>
</tr>
</tbody>
</table>

Source: Duedil Online Company Database. Accessed 3 March 2013
6.1 It is impossible to place a figure on The Peel Group’s overall ‘worth’, so impenetrable is the conglomerate’s complex financial web, and it will not be attempted here. ‘Peel’s’ assets have been valued at anywhere between £2bn and £6bn in recent years – “His [John Whittaker’s] business owns and manages more than £6bn of assets”70 and “Mr Whittaker has taken Peel from a £200,000 company in 1971 to one with an enterprise value of £6bn and net assets of about £2.8bn”.71 but such figures are essentially based upon expert guesswork. The reality will depend upon how much store one sets by a) in-house evaluations and b) the off-setting effect of corporate debt. It will also depend upon what is meant by ‘Peel’ – do the estimates and guesstimates refer to just one of the key Peel companies, to the broader ‘Peel Group’ or to the entire Peel ‘empire’, including the likes of Tokenhouse Limited? The parameters are rarely apparent.

6.2 In early 2010, the assets of one company alone - Peel Land and Property Investments - were valued at £418,940,000. The offering circular drawn up a few months later to float more shares in the company stated that The Peel Group currently had “assets under management approaching approximately £5 billion”.72 Six months later, the proposal drawn up for Capital Shopping Centre’s acquisition of the Trafford Centre in November 2010 asserted that The Peel Group had at that time “assets owned or under management in excess of £6 billion”.73 The Group’s value had inexplicably (though not impossibly) grown by a not insignificant £1 billion.

6.3 Accounts for Tokenhouse Limited are publicly unavailable but according to one source this – the ultimate ‘parent’ company for The Peel Group – has total combined assets worth over £14,000,000,000.74

6.4 As an indication of the scale of the Group’s wealth, Peel Holdings Land and Property (UK) Ltd, just one of the companies which ‘feed into’ Peel Holdings Limited (registered in the Isle of Man), is currently estimated to have total assets worth £1,584,493,000 and a book value of £561,263,000.75

6.5 The latest accounts published for some of those UK-incorporated Peel companies highest up the chain of ownership (ie: those immediately owned or controlled by one of the off-shore ‘parent’ companies) make for interesting, albeit at times barely comprehensible, reading. Some of the key pieces of information are provided in Figure 5 on the previous page.

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70 ‘John Whittaker: From mills to malls’. The Guardian. 11 January 2011
71 ‘Whittaker has more to offer than the rococo’. Financial Times. 11 February 2011
72 Peel Land & Property Investments plc: Offering Circular 4 June 2010
73 Capital Shopping Centres Group: Proposed Acquisition and Placing of Shares. 25 November 2010
75 ibid
**FIG 5: Peel Company Financials 2011-2012 - Snapshot**

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Net Assets (£)</th>
<th>Total Profit (£)</th>
<th>Dividends Paid Out (£)</th>
<th>UK Corporation Tax (£)</th>
<th>Highest Paid Director’s Salary Package (£)</th>
<th>Average Monthly Number of Persons (including executive directors) Employed</th>
<th>Charitable Donations (£)</th>
<th>Group Net Liabilities (£)</th>
<th>Group Borrowings (£)</th>
<th>Group?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peel Holdings (Ports) Limited</td>
<td>82.7m</td>
<td>34m</td>
<td>34m</td>
<td>Nil</td>
<td>N/A</td>
<td>Nil</td>
<td>Nil</td>
<td></td>
<td>473m</td>
<td>Peel Ports Shareholders FinanceCo Ltd Group</td>
</tr>
<tr>
<td>Peel Ports Ltd</td>
<td>200.5m</td>
<td>33.8m</td>
<td>34m</td>
<td>N/A</td>
<td>N/A</td>
<td>Nil</td>
<td>Nil</td>
<td></td>
<td>1062.7m</td>
<td>Peel Ports Shareholders FinanceCo Ltd Group</td>
</tr>
<tr>
<td>Peel Ports Investments Ltd</td>
<td>359.9m</td>
<td>98m</td>
<td>96m</td>
<td>Nil</td>
<td>N/A</td>
<td>Nil</td>
<td>Nil</td>
<td></td>
<td>473m</td>
<td>Peel Ports Shareholders FinanceCo Ltd Group</td>
</tr>
<tr>
<td>Peel Ports Intermediate Holdco Ltd</td>
<td>337.7m</td>
<td>23m</td>
<td>23m</td>
<td>Nil</td>
<td>N/A</td>
<td>Nil</td>
<td>Nil</td>
<td></td>
<td>100,000</td>
<td>Peel Ports Shareholders FinanceCo Ltd Group</td>
</tr>
<tr>
<td>Mersey Docks and Harbour Company Ltd</td>
<td>368.4m</td>
<td>49m</td>
<td>40m</td>
<td>12.7m</td>
<td>476,000</td>
<td>382</td>
<td>49,990</td>
<td></td>
<td></td>
<td>Peel Holdings Land and Property (UK) Ltd Group</td>
</tr>
<tr>
<td>Peel Ports Shareholder FinanceCo Ltd</td>
<td>-473m</td>
<td>15.4m</td>
<td>23m</td>
<td>13.9m</td>
<td>N/A</td>
<td>Nil</td>
<td>100,000</td>
<td></td>
<td></td>
<td>Peel Holdings Land and Property (UK) Ltd Group</td>
</tr>
<tr>
<td>Peel Holdings Land and Property (UK) Ltd</td>
<td>556.02m</td>
<td>-21.8m</td>
<td>Nil</td>
<td>7,000</td>
<td>358,000</td>
<td>125</td>
<td>27,275</td>
<td></td>
<td>836m</td>
<td>Peel Holdings Land and Property (UK) Ltd Group</td>
</tr>
<tr>
<td>Peel Holdings (Land and Property) Ltd</td>
<td>614.9m</td>
<td>-20.83m</td>
<td>Nil</td>
<td>7,000</td>
<td>358,000</td>
<td>125</td>
<td></td>
<td></td>
<td></td>
<td>Peel Holdings Land and Property (UK) Ltd Group</td>
</tr>
</tbody>
</table>

Extracted from the 'Report and Financial Statements for the Year ended 31 March 2012' for each company.
6.7 One thing these accounts do confirm is that Peel Group’s wealth is largely generated in the UK:

"With the exception of rental income … arising overseas … all of the group’s turnover during the financial year arose in the United Kingdom."\(^{76}\)

6.8 John Whittaker’s personal wealth is equally, if not more, difficult to evaluate, not least because much of it is safely hidden from public view offshore. He is certainly a billionaire and his wealth has almost certainly grown, against the grain, during the past few years of recession. It has fluctuated a little in recent years but has reportedly averaged around £2bn. In March 2012 Forbes estimated his personal net worth to be $1.7bn (dollars)\(^{77}\). In April of the same year he was reported to be worth some £2.75bn (pounds) and 29\(^{th}\) on the Sunday Times Rich List.

6.9 In recent times – and unsurprisingly, given the economic climate – there have been indications that Peel’s finances are not as robust as they once were. Its “Land and Property arm”, for example – the division responsible for progressing the Wirral and Liverpool Waters schemes – declared a pre-tax loss of £18.3m in the year ending 31 March 2011. A regional press article, however, declared that “Peel Holdings Posts Robust Results for 2011”\(^{78}\), citing an operating profit of £55.2m on a turnover of £97.4m. Selective information is fed to the public, with the positive highlighted, for marketing and branding purposes.

6.10 Peel talks its prospects up and down to suit. In 2004, as it sought to re-privatise Peel Holdings PLC, the governing board told the minority shareholders it wished to buy out:

“The Directors consider that the less positive economic outlook for interest rates, consumer spending, house prices and property yields may have an impact on future returns generated by Peel. The Group’s development activities continue to comprise capital intensive projects. However, many of these development projects are characterised by a more volatile and uncertain profile for returns and profitability.”\(^{79}\)

6.11 In December 2012, a local press report ran:

“LIVERPOOL docks owner Peel Ports has completed a £1.6bn refinancing deal to fund its growth plans, including the £300m Liverpool2 SuperPort scheme. The funding has been raised from a range of banks and private investors, including foreign investors. It also includes £150m from the European Investment Bank.”\(^{80}\)

The key word in this report was ‘refinancing’, a euphemism for the juggling of loans. The key figure is £1.6bn – a correspondingly enormous amount. Alternative sources (detailed in section 17) contained further details about this particular refinancing deal, which was more about covering debt that was due to mature in 2013 than about attracting genuinely ‘new’ investment.

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\(^{76}\) Peel Holdings Land & Property (UK) Ltd: Report & Financial Statements for the Year ending 31 March 2012
\(^{78}\) ‘Peel Holdings Posts Robust Results for 2011’. Manchester Confidential. 4 January 2012
\(^{79}\) Peel Holdings PLC: Minority Buyout Proposal. 30 June 2004
\(^{80}\) ‘Peel Ports clinches £1.6bn refinancing to fund growth’. Liverpool Echo. 12 December 2012
6.12 Relatively speaking, Peel is asset rich; cash poor. An open admission of this is contained in a document prepared for the Wirral Waters Scheme (see section 15):

“Peel are an ‘asset rich’ organisation but equally rely on relationship banking and funding from institutions. Historically, development has been financed through Revolving Credit Facilities and other financial instruments. Peel has also entered into Joint Venture arrangements with other bodies including land owners, financiers, investors, occupiers and local authorities. This is one way of bringing in additional finance and risk sharing.”

In short, Peel is heavily reliant upon other people’s money to fund its enormous ambitions.

6.13 Worth highlighting in respect of the current and future ‘health and wellbeing’ of Peel’s finances is the fact that many of the conglomerate’s key interests lie in sectors that are struggling – retail, housing and construction, for example. This has been acknowledged by The Group – and often used as a catch all explanation when projects have faltered or stalled.

6.14 The conglomerate has benefited enormously over the years from public sector investment. In the 1990s and early noughties, for example, it secured hundreds of millions of pounds of European Structural funding. It is perhaps mere coincidence that Peel opted to invest in some of the poorest regions of England and Scotland during the Objective One heyday. Part 2 will expand upon this in further detail, with particular reference to public sector investment on Merseyside.

6.15 Taxpayer-funded subsidies are rapidly drying up but Peel clearly continues to receive public grants. According to the Notes to the Financial Statements of Peel Ports Shareholders Financeco Limited, for example, “the Group reclassified £2.1m from government grants” during the 2011-2012 financial year. In late 2012, two ERDF (European Regional Development Fund) payments for ‘work in progress’ from the Department for Communities and Local Government totalled over £800,000.

6.16 In April 2012, a member of Parliament asked “the Minister for the Cabinet Office what estimate he has made of the total amount of public funding (a) paid to and (b) offered to companies owned by the Peel Group by the Government in each year since 2002.” Astonishingly, the minister said he was unable to comply because “information on the total amount of public funding is not held centrally”. Astonishing, because even a cursory scan of press coverage of Peel suggests that the conglomerate has received hundreds of millions of pounds worth of public UK and EU funding over the years. Astonishing, too, because the archives of the now defunct Regional Development Agencies almost certainly hold the information requested. Rather obtusely, the minister went on to detail some trifling amounts (totalling £251,594.04) paid between April 2004 and March 2011 by Government Procurement Services, an agency of the Cabinet Office, to Princes Dock for the lease of car parking facilities. This – payment for services - was clearly not the kind of information sought.

81 ‘Guiding Principles: Public Funding’. Wirral Waters Strategic Regeneration Framework. 7 June 2010
82 Caroline Nokes MP. Written Question: Peel Group. Hansard Column 1059W. 26 April 2012
6.17 A hint of the kind of payments received by Peel from the public purse comes from the Ministry of Defence. A published table entitled ‘Defence Contracts. Private Sector Companies paid £50m or more by the Ministry of Defence in 2008/09: By Holding Company’ lists Peel Ports Holdings (Cl) Ltd in the £50-100m column, listing Cammell Laird Shiprepairers & Shipbuilders Ltd, Clydeport Operations Ltd, Port of Sheerness Ltd, The Manchester Ship Canal Company and The Mersey Docks and Harbour Company as the individual recipients. Note that the ultimate ‘holding company’ is registered off-shore and that this document recorded payments made in just one financial year. Note, too, the mild irony – Peel declares an interest in many sectors and industries but Defence is not one of them.

6.18 Peel Media Limited received a total of over £800,000 from Salford City Council, in five payments, in January 2011. This was small beer compared to the amounts of public money alleged to have been funneled into Peel’s MediaCityUK project. In January 2012, local community journalists reported that “huge amounts of public money” had been “sunk into” the venture, “virtually covering all of Peel’s £490 million costs on the development.” The authors explained:

“How the Public Paid for Peel Holdings Salford MediaCityUK”. Salford Star. 18 January 2012

6.19 It was later reported, in September 2012, that Salford council had agreed to pay out over £30m in public grants and loans to support Peel’s development of Port Salford and that “Peel has also had almost one million Euros from Europe for its plans.” In addition, “the Government’s Department for Business Skills and Innovation’s Regional Growth Fund is chipping in another £15 million.”

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85 ‘How the Public Paid for Peel Holdings Salford MediaCityUK’. Salford Star. 18 January 2012
86 ‘Peel Holdings £31 million public subsidy for Port Salford’. Salford Star. 11 September 2012
6.20 If this locally-sourced and analysed information is correct, then it certainly does appear that Peel is adept at pursuing large-scale, secure, potentially extremely lucrative developments at little or no cost, ultimately, to itself.

6.21 The waxing and waning of a private company's fortunes are not – in theory – of public interest. The problem is that the public purse is increasingly being used to bail out or 'let off' failed private sector enterprises – witness the collapse of household names such as Comet in 2012,\(^\text{87}\) which folded owing HM Revenue and Customs (an 'unsecured creditor') over £26m. The Exchequer – and thus the taxpayer – is unlikely to ever see the money owed. Private business is, therefore, potentially everyone's business.

6.22 Moreover, although Peel may acknowledge the problems facing public finance, a document produced as part of the Wirral Waters application bundle (see section 15) – 'Guiding Principles: Public Funding' – makes very clear that Peel continues to fully expect public investment in its projects:

"The Guiding Principles for Public Funding establish the strategic principles for making best use of current and future public funding in order to derive maximum public benefit from Wirral Waters … [They] have helped shape and inform the Vision for Wirral Waters and will have a key bearing upon the implementation process … Whilst the funding landscape is deteriorating due to the limited timescale for some funding programmes, changing economic development priorities and the tightening fiscal position for the public sector in general, opportunities remain for accessing public funds. These will remain an important and critical source financial assistance for Wirral Waters.\(^\text{88}\)

Later in the same brochure, the company stresses the importance of public sector investment to its £4.5bn scheme:

"The funding of Wirral Waters will be led by Peel Holdings, with support from the public sector. The greater the support that can be provided, the more likely it is that the aspirations … will be successfully delivered at an earlier date."

The entire document is, in effect, a call for public funding.

6.23 The ‘Guiding Principles’ document also reveals that Peel never forgets its driving motive: "Whilst the company can take a long term perspective, it is important to recognise that Peel is a private sector, commercial organisation that seeks a return on financial investments made."

6.24 As has been demonstrated, Peel's money is ultimately channelled to the Isle of Man, a renowned off-shore tax haven. Information provided by a 'Global Corporate Services' company clearly demonstrates the island’s attraction to corporations and conglomerates – and wealthy individuals - keen to evade tax:\(^\text{89}\)

"Companies that are incorporated in the Isle of Man are foreign companies where their critical management and control is exercised in the Isle of Man and are subject to taxation at prevailing rates on their worldwide income. Since 6th April 2006 the rate of corporate income

\(^{87}\) ‘Vince Cable hints at insolvency process overhaul after Comet collapse’. The Guardian. 20 December 2012

\(^{88}\) ‘Guiding Principles: Public Funding’. Wirral Waters Strategic Regeneration Framework. 7 June 2010

\(^{89}\) OCRA Worldwide website: Solutions -The Isle of Man. Accessed 17 January 2013
tax on trading and investment companies has been zero % and 10% for banking business income and for land and property business income. In addition, from the same date of withholding tax on taxable distributions to non-residents and shareholders will be at the same rate. The abolition of corporate income tax for normal trading and investment companies substantially enhances the Isle of Man’s competitiveness in the Global Arena.”

This compares very favourably to a corporation tax rate of 20-24% for companies registered ‘on-shore’, in the UK.

6.25 Personal income tax rates for Isle of Man residents are even more attractive – particularly for the extremely wealthy. The higher rate – for those earning more than £21,000 per year – currently stands at just 20%. In the UK, the higher rate stands at 40-50%. In addition, “the Tax Cap on individual income tax liability is £12,000 p.a. on worldwide income”. Interest paid on mortgages and personal loans is tax deductible and the Isle of Man does not impose tax on capital gains, gifts or inheritances.

6.26 Guernsey, Bermuda and the Cayman Islands are two other locations of choice for the Peel Group. Peel Ports Holdings (CI) Limited, for example, which received £50m-£100m from the Ministry of Defence in 2008/09, is based in the latter. The General Registry for that jurisdiction lists the advantages of registering a company in the Cayman Islands:

- Ready availability of investment, legal, and other advice and expert management services at competitive fees
- Reasonable reporting requirements
- Ability to form a company with only one shareholder, with no minimum capitalization requirements
- Tax neutrality – there are no corporation, capital gains, payroll, property or withholding taxes on any type of company, domestic or foreign.

6.27 The “range of purposes for which a Cayman company can be used includes investment, sales processing, trading, shipping operations, stock dealing, real estate holding, the ownership and licensing of patents, international financing, mutual funds, insurance, securitization, structured finance and aircraft finance.” As with all tax havens, the Cayman Islands is about the movement of money and little else.

6.28 Peel is, at bottom, a financial investment enterprise. By definition, then, it is in the business of making money ‘grow’. But there is a marked difference between creating real profit and shuffling money around to give the appearance of growth. That is precisely what made the banking sector come unstuck.

6.29 Desirable ‘growth’ in the current economic climate extends beyond ‘profit for profit’s sake’. Wealth creation is not enough – jobs, infrastructure, growth which drives growth are equally vital. Whether Peel is truly using its financial clout to drive

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meaningful growth of this kind (rather than merely to enrich its owner or owners) will be explored in subsequent sections of this study.

6.30 Peel derives income in the obvious ways through rental and sales: “The Investments Division of the Peel Holdings Land and Property (UK) Limited group provided an annualised rent roll of £66.23m as at 31 March 2012”\(^{91}\) and “During the year, proceeds from sales of land of £6.89m were achieved including the land sales at Calder Park Wakefield, Hareshill Heywood, Kingston Glasgow and Jacksons Wharf Manchester”\(^{92}\). It has also started to make money through the provision of utilities and communication services. One Peel company - Peel Holdings Land and Property (UK) Limited - earned £3.11m in advertising income alone, in 2011/12. And – as with any property investment company, the Group also relies upon the appreciation of its land assets:

“A significant amount of planning consents have been secured over the last 12 months including the conclusion of the Wirral Waters Planning Permission and the unanimous approval from Liverpool City Council for Liverpool Waters, subject to a referral to the Secretary of State. These will be the largest private led regeneration projects in the country. Other notable consents were achieved by foodstores at Wolverhampton and Trafford Retail parks and the consent to convert the cinema to retail at the Peel Centre, Gloucester… These planning consents, alongside the ongoing planning work within the group, helped to consolidate development property values in the year and at 31 March 2012 £356m of the portfolio was valued externally providing an uplift in value of £3m to £359m.”\(^{93}\)

6.31 The conglomerate’s wealth, power and influence is derived from its ownership of assets. Within the Peel Land and Property Division alone:

“Peel’s property portfolio consists of nine million square feet of investment property and 33,000 acres of land in the UK, alongside overseas opportunities in Bermuda, The Bahamas and Spain.”\(^{94}\)

33,000 acres is a lot of land: the entire city of Liverpool covers an area of approximately 118.8 square kilometres, which is equivalent to about 29,356 acres.

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\(^{91}\) Peel Holdings (Land & Property) Ltd: Annual Report & Financial Statements for the Year ended 31 March 2012
\(^{92}\) ibid
\(^{93}\) ibid
\(^{94}\) The Peel Group website: Peel Land and Property. Accessed 31 January 2013
7] Peel Ventures at Home and Abroad

7.1 On Merseyside, Peel is generally regarded as a ‘local’ company committed to the local economy and local regeneration. This is the intention - an important part of The Group’s branding is to cultivate this impression and there are numerous examples of Peel executives declaring a particular interest in and devotion to the sub-region:

“…it is a totally unique scheme, quite befitting for a unique city. We believe in the project and most importantly we believe in Liverpool and its people.”

An uncharacteristically long statement from Lindsey Ashworth, Development Director at Peel, written in February 2010 and published on the Liverpool Waters website, epitomises this kind of tack.

7.2 In actual fact, Peel has interests scattered around the UK, with particular concentrations or geographical clusters in the North East, the North West and in and around Glasgow and individual, ‘one-off’ projects dotted elsewhere.

*FIG 6: Peel UK – Geographical Spread*

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7.3 Peel began life as a ‘landlord’. To summarise some of the conglomerate’s properties for lease and sale, as advertised by sector on its website:

7.4 Its Business Park Portfolio includes …

- Astley Business Park near Wigan in Lancashire
- Calder Park in Wakefield in West Yorkshire
- Liverpool International Business Park in Liverpool in Merseyside
- Pemberton Business Park near Wigan in Lancashire
- Phase 2 Sheffield Business Park in Sheffield in South Yorkshire
- Pioneer Business Park in Ellesmere Port in Cheshire
- Riverside Business Park near Burnley in Lancashire
- Robin Hood Airport Business Park in Doncaster in South Yorkshire
- St George Business Park in Durham in County Durham
- Hareshill Distribution Park in Rochdale in Greater Manchester
- Inc Park is near Chester in Cheshire
- Port Salford in Salford in Greater Manchester
- Skylink International Business Park near Durham in County Durham

7.5 Its Office Portfolio includes …

- Adamson House in Manchester in Greater Manchester
- No 5 Central Park (The Quays) in Salford in Greater Manchester
- Osprey House (The Quays) in Salford in Greater Manchester
- Princes Dock Office No 8 in Liverpool in Merseyside
- Quay West (The Quays) in Salford in Greater Manchester
- The Office Building in Speke Hall Avenue near Liverpool in Merseyside
- Clydeway House in Glasgow in Scotland
- Meadowside Complex in Renfrew near Glasgow
- Tower Quays Business Centre in Birkenhead in Merseyside
- Armstrong House in Doncaster in South Yorkshire
- Oxford House in Doncaster in South Yorkshire
- Twelve Quays in Wallasey in Merseyside
- 25 Blythswood Square in Glasgow in Scotland
- Woodside Business Park in Birkenhead in Merseyside
- Scotway House in Glasgow in Scotland
- Kingfisher Court (The Quays) in Salford in Greater Manchester
- Sheffield Business Centre in Sheffield in South Yorkshire
- Unity Square in Nottingham in Nottinghamshire
- Princes Dock Office #12 in Liverpool in Merseyside
- Horizon (Trafford Centre) in Trafford in Greater Manchester
- Princes Dock in Liverpool in Merseyside
- The Victoria (The Quays) in Salford in Greater Manchester
- 16 Robertson Street in Glasgow in Scotland
- The Quays in Salford in Greater Manchester
- Castle Quay in Manchester in Greater Manchester

7.6 Its Industrial Portfolio includes …

- Woodside Business Park in Birkenhead in Merseyside
- The Bridgewater Centre in Trafford in Greater Manchester
- Kingston Industrial Estate in Glasgow in Scotland
- Unit 7 West Float Industrial Estate in Wallasey in Merseyside
- Meadowside Complex in Renfrew near Glasgow in Scotland
- Uveco Business Centre in Wallasey in Merseyside
- Runcorn Dock Estate in Halton in Cheshire
- Britannia House in Wallasey in Merseyside
- Twelve Quays in Wallasey in Merseyside
- Unit B, Meadowside Industrial Estate in Renfrew near Glasgow in Scotland
- Western Park in Salford in Greater Manchester
- Langworthy Enterprise Park in Salford in Greater Manchester
- Madleaze Industrial Estate in Gloucester in Gloucestershire
- Venture Business Park in Gloucester in Gloucestershire
- Open Yard in Wolverhampton in the West Midlands
- Regina House Industrial Premises in Nottingham in Nottinghamshire

7.7 **Its Retail & Leisure Portfolio includes …**

- The Trafford Centre in Trafford in Greater Manchester
- The Peel Centre in Barnsley in Greater Manchester
- Tramway Retail Park in Brislington near Bristol in the South West
- Phoenix Parkway Retail Park in Corby near Kettering in Northamptonshire
- Straiton Retail Park in Edinburgh in Scotland
- The Peel Centre in Gloucester in Gloucestershire
- Whitebirk Retail Park in Hyndburn near Blackburn in Lancashire
- The Peel Centre in Stockport in Greater Manchester
- The Peel Centre in Washington in Sunderland in Tyne and Wear
- The Peel Centre in Wolverhampton in the West Midlands
- Peel Retail Park in Yeovil in Somerset
- Building 4 William Jessop Way, Princes Dock in Liverpool in Merseyside
- Retail Warehouse in Wolverhampton in the West Midlands

7.8 Peel is said to own some 33,000 acres of land in total around the country. Major development projects currently underway or in the offing (including the massive Peel Waters schemes) account for just over 1,000 acres of this, which gives a notional idea of the scale of the conglomerate’s holdings.

7.9 The Group is continually devising new schemes for its land assets. A “strategic partnership” with Barratt Homes, for example, designed to “bring forward new housing development on a number of Peel’s key residential sites in the NW and NE of England” involves “80 acres of land on six sites” with the “potential for over 1,000 new homes to be built over the next five years with an end value approaching £200m”. The identified sites are located in Wigan, South Liverpool, Salford, Trafford and South Yorkshire. The precise locales are unspecified.

7.9 The Peel Group also claims to own “a substantial portfolio of agricultural estates … [a]gricultural land is available both to let and for sale” including:
- Burgess Farm in Salford in Greater Manchester
- Spen Moor in Bury in Greater Manchester
- Speke and Garston Coastal Reserve in Liverpool in Merseyside
- Rossfield Park in Ellesmere Port in Merseyside
- + “residential-led projects” in or near:
  - Runcorn in Cheshire
  - Warrington in Cheshire
  - Partington in Trafford in Greater Manchester
  - Doncaster in South Yorkshire

7.10 To reiterate: the holdings listed in the preceding sections are by no means exhaustive. They represent assets Peel has been recently advertising for sale or for rent.

7.11 Peel highlights a considerable number of ‘headline’ developments on its website. Some are fairly small-scale projects but many are large, costly and long-term infrastructure schemes. Peel describes them to potential customers (tenants or buyers) and partners or investors as follows:

7.12 *Gloucester Quays Outlet Centre* is a waterside shopping and leisure destination located in Gloucester Docks area. The £400 million development covers 60 acres and will provide 1.6 million sqft of floor space when completed. In July 2012 work began on a new shopping quarter called ‘The Quayside’ which is scheduled to be open for business by the autumn of 2013.

7.13 *MediaCityUK* is the new Salford-based home for the BBC and ITV. With its facilities opening in stages from 2007, the development today covers a wide range of interests, including almost 798,000sqft of commercial office space, 60,000sqft of retail units, 250,000sqft of studio space and a Holiday Inn hotel. This is spread over 36 acres, although the potential is there to develop up to 200 acres in the future.

7.14 *Peel Waters* is the umbrella name given to both the Liverpool Waters and Wirral Waters schemes. Combined, they will receive an investment from Peel of £10 billion which will result in the redevelopment of 650 acres of redundant docks across Liverpool and Birkenhead. Once completed, it is estimated the project will measure over 3 million sq. m. and it will also combine retail, leisure, cultural and commercials developments. Liverpool Waters has been granted planning permission while Wirral Waters has been approved by the UK Government.

7.15 The *Ocean Gateway*, launched in 2008, is a proposed £50 billion investment strategy for the North West over the next 50 years. It is not a self-standing project as such; it is an umbrella term for a number of projects including MediaCityUK and Peel Waters.

7.16 *Peel International Trade Centre* is due to serve as an international trading hub will be based within the port region of Liverpool. It will serve as a trading ‘gateway’ for companies looking to operate through the UK and into Europe. The project will
provide in excess of 2.5 million sqft floor space which will allow up to 1000 companies to exhibit, sell and distribute their goods.

7.17 Ellesmere Quays is a development of the Ellesmere Port waterfront into a residential, leisure and tourist destination. The project will include a mix of quality homes alongside leisure and tourism attractions, as well as including an ecology park and local community facilities.

7.18 Port Salford is a £138 million proposal to build a multimodal freight terminal on the Barton Strategic Site in Greater Manchester. The port will house a 153,000 sq. m. warehousing facility and also the Port Salford National Import Centre. It is estimated that the project will create 3858 gross permanent jobs.

7.19 Liverpool2, part of the Port of Liverpool, is the proposal to increase the container handling capacity at the port from 750,000 teu (twenty foot equivalent units) to 1.5 million teu per annum. It is estimated the project will create 408 direct jobs in Sefton and 4631 indirect other jobs.

7.20 Chatham Waters is the proposal to transform 26 acres into a £650 million ‘mixed-use’ development, including retail, education facilities and office space. Up to 3500 jobs could be created by the project. The plans have been given the go ahead by Medway Council.

7.21 Ince Park near Chester provides specialist business space for the environmental sector and offers the opportunity to create a leading concentration of waste management for the North West.

7.22 Glasgow Harbour is a new district in the vibrant West End providing an integrated mix of high-quality commercial, residential, retail, leisure and public space. Situated on the banks of both the River Clyde and the River Kelvin, Glasgow Harbour has a unique waterfront location only a short distance from the city centre. A 52 hectare (130-acre) integrated development, with an investment value of over £1.2 billion, Glasgow Harbour is one of the largest waterfront regeneration projects within the UK, and will be a major contributor to the growth of Scotland's economy.

7.23 In addition, The Peel Group has an extensive ‘mixed-bag’ of major current projects underway in sectors as varied as energy and media, a number of which are detailed in section 9. The conglomerate’s diversification into media – particularly film production property and facilities, via its purchase of Pinewood Film Studios – was novel, even by Peel’s standards.

7.24 Peel’s overseas interests are limited. The conglomerate is busy cultivating links with China with a view to attracting investment but if it aspires to make property inroads into that economy, it is not advertising the fact. It is highly unlikely.
In Spain, the Trafford Centre España is (or was) a six-level shopping mall – fashioned after its namesake in Manchester and planned for the outskirts of Torremolinos, near Malaga in the south of Spain - on land purchased by Whittaker in the 1980s. It received “planning permission for 1.3m square feet of retail, a hotel casino and residential on an 80 acre site” in early 2008. There is little evidence the project has proceeded – much less been completed. No doubt Spain’s economic woes and the subsequent crisis in the Spanish construction industry have contributed to this. At the start of 2012, it was confirmed that Capital Shopping Centres (which owns the Trafford Centre in Manchester and in which Peel retains interests) had decided to buy the land in Malaga from Peel. A report just days ahead of the announcement reported:

“The proposed transactions include an area in Malaga, Spain, that Peel had earmarked as a site for its ‘Trafford Centre Espana’ project – which has been put on a back-burner as a result of the recession and subsequent euro zone crisis. The deal would see CSC pay Peel ... a refundable deposit of €7.5m to purchase two parcels of land in Malaga. One is a 60-acre site which has initial planning consents for the construction of a high-class regional shopping centre and leisure development, and an adjacent approximately 14-acre site which is earmarked for possible future development.”

Peel, as a shareholder of CSC (now ‘Intu’) retains an interest.

In Bermuda, Peel’s ‘Washington Mall’ is the island’s “premier office and retail complex located in the heart of Hamilton”. Business there is managed by Washington Properties (Bermuda) Limited, which is registered on the island. Although a new website is currently under construction, which usually suggests growth and/or improvement, the complex is struggling in the current economic climate, with a local newspaper reporting at both the start and the end of 2012 on the unavoidable closures of retail businesses struggling to survive due to lagging sales.

The Peel Group claims to have a “small portfolio” in the Bahamas, comprising “80,000 square feet of office and retail space”. Little information about this particular asset is publicly available.

These overseas interests are not entirely insignificant - in the financial year ending March 2012, for example, they generated £4,263,000 rental income for the Peel coffers.

Peel has additional, less obvious interests abroad, too. Its controlling share of The Pinewood Group, for example, means its tentacles reach into Canada, Germany, Malaysia and the Dominican Republic, where Pinewood has offices and/or studios.

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96 ‘Peel extends ties with CSC with double deal’. The Business Desk North West. 26 January 2012
100 Peel Holdings Land & Property (UK) Ltd. Report & Financial Statements for the Year ended 31 March 2012
In a relatively short period of time, Peel has moved into the energy and environmental sectors. Under its 'Peel Environmental' banner, the Group boasts of: “owning, managing and developing property in the waste, mineral and environmental technology sectors”. Under its ‘Peel Utilities’ banner, it explains: “Peel Utilities was originally set up to take advantage of competition in the water industry using Peel’s unique position of owning the Manchester Ship Canal and Bridgewater Canal as natural sources of water. The business has since evolved, providing utility services, including electricity, gas, water and sewerage services through regulated and non regulated infrastructure owned by Peel, to homes and businesses sited on Peel developments and to incorporate other watercourses now owned by Peel.”

There is a potentially less edifying side to this multi-sectoral omnipresence – that Peel uses it to cut out competition. It has been alleged, for example, that tenants of MediaCityUK are not allowed to use communications service providers other than Peel:

“The Landing has had its own problems with Peel Holdings – iBurbia Studios, the company contracted to run The Landing’s ‘media testing labs’ etc has recently pulled out of the project, complaining that, while it needed to use BT broadband lines and set top boxes, Peel was trying to make the company use Peel’s own private network. Private Eye, which carried the story (issue 1330) added that elsewhere on Media City, BBC Future Media staff can only view their own work ‘via a satellite dish hidden in a cupboard’ because ‘Peel will not allow BT services on the site’.”

Peel does wind farms, too. It has created upwards of fifteen separate companies to manage them and has farms dotted as far north as Newcastle and as far south as Kent. The Group declares:

“Peel has an established track record in developing wind farms. Our first wind farm became operational in 1999 and our most recent opened in February 2009. Our wind farms produce enough energy to power over 45,000 homes.”

Peel has not merely ‘dabbled’ in this. Its Scout Moor wind farm is the largest onshore wind farm in the UK.

The conglomerate has also ventured into coal mining through a shareholding in UK Coal, which it increased from 7% to 21% in the mid ‘noughties’ and stood at 28% in late 2008. Peel employees worked in senior positions. In June 2011 it was reported that Peel and UK Coal were to set up a joint venture to develop a series of energy-from-waste plants across the UK. 11 potential sites were identified:

- Asfordby Mine in Leicestershire;
- Bilsthorpe Colliery in Nottinghamshire;
- Cutacre Industrial site in Bolton;
- Gedling Colliery in Nottinghamshire;
- Houghton Main Mine site in Yorkshire;
- Kellingley Colliery in Yorkshire;
- Meriden Quarry in the West Midlands;
- Tetron Point in Derbyshire;
- Wardley Coal Disposal Point in South Tyneside;
- Waverley in Yorkshire;
- and North Selby in Yorkshire.

Following
restructuring (in an attempt to save the company from collapse) in late 2012\textsuperscript{106}, UK Coal now trades on the stock exchange under the name Coalfield Resources PLC and Peel’s involvement is no longer apparent. It would appear that a major reason for their original share purchases was to improve the viability of the ‘environmental’ division of the business and to pave the way for other projects elsewhere.

7.34 Peel naturally ventures into new sectors because it sees them as potentially very lucrative. Certainly, it knows a ‘growth’ sector when it sees one and has often proven itself adept at spotting industries on the rise (in the short term, at least). Virtually all sectors are struggling in the current, highly uncertain economic climate and Peel is not immune. The Group’s tendency to ‘spread itself’ around the economy may serve to bolster its resilience to particular problems in particular sectors – or it may make the conglomerate especially vulnerable. Given the Group’s labyrinthine accounts, it is very difficult to work out which of its sectoral divisions is currently supporting which.

\textsuperscript{106} ‘UK Coal Britain’s Biggest Coal Miner Makes Final Bid for Survival’. Daily Telegraph. 10 December 12
8] Record and Reputation

8.1 Peel enjoys growing ‘brand recognition’, thanks to the carefully crafted image cultivated by effective public and media relations efforts.

8.2 Branding has become very important to the conglomerate and it clearly invests resources into it. Available on the Peel Group website, for example, is a 26 page booklet given over to instructions for use of the company logos.\(^{107}\) The ‘brand’ is clearly explained:

> Over the last several years The Peel Group has diversified into many commercial arenas. This diversification has prompted the need for a clear and easily understood group Structure. In order that the Peel brand is maintained, promoted and remains associated with quality, reliability and stability in every area of our businesses, we have simplified our branding, and made it a more flexible and easily recognisable graphic. Our aim is to elevate the individual businesses as well as an awareness of the Peel brand in both the commercial and public sectors and present a unified group of companies. […] The following brand guideline is designed to help you achieve a more focussed and representative image of The Peel Group and its associated divisions.\(^{108}\)

Quite why the Group has seen fit to publish this particular document online – it is seemingly intended for ‘in-house’ use – is unclear.

8.3 This business of branding and creating positive company recognition is made easier by largely uncritical coverage on the part of the mainstream media. Because the conglomerate operates and markets itself in different parts of the country, said coverage is usually provided by regional media, who do not generally have the resources to conduct robust scrutiny into the company’s claims and practices. As a result, Peel can usually count upon its press releases being faithfully regurgitated, its claims accepted as an ‘article of faith’. Examples of this are provided in Part 2 of this report.

8.4 For the same reason, criticism of, opposition to or complaint about Peel, when it is aired, tends to be localised. Any ‘bad’ news or adverse coverage doesn’t spread. Subsequently, few onlookers ‘join the dots’ and identify patterns of corporate behaviour.

8.5 An exception arose in 2012, when Members of Parliament for the North West picked up on some aspects of the conglomerate’s corporate behaviour in the Blackburn area and kicked up quite a fuss, which was covered by national media. The case is detailed in Section 9.

8.6 Peel’s reputation ‘on the ground’ is not quite as rosy as its PR would suggest. There is much evidence (see section 9) that Peel has in fact rubbed local communities and their democratic representatives, as well as civilian interest groups, up the wrong way.

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\(^{108}\) ibid
time and time again. An online journalist who reportedly spoke to residents living near to Liverpool John Lennon Airport wrote:

“According to its website, engaging with the communities in which it operates has always been central to its approach to sustainable growth. Speke residents however tell a different story. They have been concerned about expansion at Liverpool John Lennon Airport and the impacts of this on the area it has increasingly encroached upon. Noise and air pollution, from both the planes and increased traffic in the area, and worries that a new road would be built that would bring traffic closer to the housing estate, have all been raised as issues for local residents. Those affected by the airport’s expansion have expressed concern about Peel's power, claiming it had undue influence on decision-makers, particularly through the planning process, where locals feel the company received special treatment because of its economic importance to the region. Residents felt their concerns were not listened to in the same way, taken as seriously or given the same weight. They felt that the position of the authorities was that what was in the interests of the estate, the city and beyond. Residents believed it was much more difficult for them to register their concerns when their interests did not align with Peel’s and did not feel that they were treated on an equal basis. Peel, they say, failed to consult with them in any meaningful way but rather tended to present its plans as done deals. There was a lack of dialogue and residents felt they never knew what Peel was planning in terms of ventures that would directly affect them.” ¹⁰⁹

8.7 It is not that residents don’t routinely take a stand. Very recently – in early February 2013 - over 600 Salford residents gathered to voice their opposition to The Group’s plans to build up to 1600 homes on greenfield sites in and around Worsley, Ellenbrook, Roe Green and Boothstown. Residents reportedly expressed a range of legitimate concerns: over increased traffic congestion and the attendant air pollution, the potential loss of green space, the potential damage to wildlife habitats and the potential impact upon school and healthcare provision. Both Conservative councillors and the local Labour MP attended the meeting and a campaign group has been launched, even ahead of any formal planning application. Of course, such residents might easily be accused of displaying nimby-ism or ‘standing in the way of progress’ but it is their prerogative to have a view, to express it and to exert their will as those whose lives will be affected by any major developments that take place.

8.8 Citizen’s groups in places like Ayrshire and Buckinghamshire have successfully campaigned against Peel’s activities (section 9). There are grounds for speculation here. Residents in deprived areas of the country – in parts of the Liverpool City Region or Greater Manchester – are arguably likely to be less affluent, informed and articulate than their peers in Scotland or the South East and thus less well-equipped to ‘battle their corner’.

8.9 Peel is naturally keen to be seen as an ethical, caring, responsible and inclusive business:

“The Peel Group is committed to achieving its vision through a pro-active approach to the principles of sustainable growth and development, working in partnership with all our stakeholders, and engaging our communities.” ¹¹⁰

¹¹⁰ The Peel Group website: Responsibilities. Accessed 8 September 2012
8.10 It has published online an impressive raft of ‘guiding principles’ which tick every standard corporate responsibility box:

- Marrying opportunity and need
- Boosting the economic strength of the regions where we invest
- Creating new economies
- Improving leisure and tourism
- Promoting low carbon growth
- Providing sustainable solutions for energy, waste and water
- Making best use of transport investment
- Enhancing green infrastructure and biodiversity
- Partnering with the public sector and the third/voluntary sector
- Integrating and sharing with established communities
- Stimulating and collaborating with the private sector

8.11 The Group devotes a great deal of webpage space to highlighting its institutional benevolence. Under ‘A lasting social legacy’ in ‘The Community’ section, its PR people write:

“The Peel Group has been investing in communities for over 40 years, creating employment opportunities and assisting in wealth creation, and often taking a lead to achieve our vision. From Salford Quays to creating The Trafford Centre, from the recently opened Gloucester Quays to our plans for Glasgow Harbour, Peel continues to invest in communities to create sustainable environments where people and businesses can thrive. The social impacts of The Peel Group however, go well beyond the employment and wealth creation established by our investment and development activities. Engaging with the communities in which we operate has always been central to our approach to sustainable growth, examples of our charitable and community engagement include:

- A donation of £12.5 million to the Imperial War Museum North in Trafford Park helped facilitate it to proceed, providing the area with a world class visitor attraction of great historical significance housed in an architectural masterpiece.
- As part of the regeneration process in Partington Peel donated £150,000 to Broadoak High School to help in its aim of achieving school of excellence status for its sporting performance. In conjunction with Manchester United and the Football Foundation we are helping support the school in the development of its facilities and curriculum activities.
- Supporting and encouraging the public use of waterways is also a key agenda for Peel. The Bridgewater Way for example represents the enhancement of up to 35 miles of canal side for cycling, walking and community use. Working in partnership with the local authorities and national organisations, we hope to assist in promoting healthier modes of transport and re-engaging communities with some of the excellent facilities that surround them.
- On land adjacent to Liverpool John Lennon Airport we are working with the Speke community and have helped to re-establish the Dunlop Social Club, a centre of community activity, in refurbished pub premises. The purchase, refurbishment and subsequent extension to the pub to meet requirements of the Dunlop members has been achieved with Peel support in excess of £750,000.”

8.12 Under ‘Playing our part’ in the ‘People’ section, they write:

“At the heart of all organisations are its people, achieving its vision, living its values and providing creativity, determination and tenacity. A variety of different approaches tailored to our individual operating companies are used to support, train and develop our people to maximise both job performance and job satisfaction… However the role of our employees
Volunteering activity is widespread across The Peel Group, recent examples including:

- Each year for the past 4 years a team of runners from Peel have run the Manchester 10k to raise money for charity. Participants have steadily increased from single figures to an impressive team of 27.

- Annually The Peel Group offices also participate in the Wear It Pink day for Breast Cancer awareness, as well as an activity for Red Nose day and Comic Relief.

- The Trafford Centre acts as a hub of activity for the full spectrum of charitable activity from Comic Relief through to environment day and a range of local causes.

- The firefighters at Peel Airports undertake a substantial amount of volunteering in their own time, most recently a team of firefighters from Robin Hood Airport Doncaster Sheffield produced their own version of ‘Calendar Girls’ raising over £8.000 for charity.

We are also looking to better establish health and wellbeing information for our people, further promote topics such as volunteering and community engagement, and improve our communication processes including an improved intranet site, as we seek to maintain and improve our reputation as an excellent employer.”

8.13 So much for the rhetoric. These ‘blurbs’ contain in fact a fair amount of overlap and ‘padding’. There is also a blurring of Peel’s actual role in and contribution to some activities. Clearly, the intention is to convey a sense of Peel being ‘one big happy family’.

8.14 The Group is also keen to demonstrate its ‘eco’ credentials, claiming under the heading ‘Responsibility in the environment’:

“Environmental innovation is a guiding principle for Peel and as part of our commitment to low carbon growth Peel continues to investigate new opportunities and technologies to realise this vision. For example, The Peel Group has a strong commitment to renewable energy and we continue to seek opportunities to contribute to the Government’s renewable energy targets, examples include,

- Wind Power - Peel has an established track record in developing wind farms. Our first wind farm became operational in 1999 and our most recent opened in February 2009. Our wind farms produce enough energy to power over 45,000 homes.

- Biomass - Having commissioned a study to develop a series of Biomass crops capable of producing around 100MW of energy from a sustainable source, we are now progressing to planting crops on Peel land and this exciting trial should soon be under way.

- Energy from Waste - The proposed Ince Resource Recovery Park is an exemplar of sustainable development providing energy from waste. Additionally the facility benefits from multi-modal access by rail, water and road. The proposals include large areas of ecological mitigation, landscape enhancement and a visitor and business centre.

- Tidal Power - Working in partnership with the North West Regional Development Agency we have been investigating the possibility of using the River Mersey for Tidal Power. We are
currently undertaking more detailed work to bring forward a preferred design option which will take into account possible locations, likely power generation and the wider environmental implications."

8.15 Under ‘Supporting Local Charities’ Peel’s spin doctors write, rather haphazardly:

“This exciting alliance will see The Peel Group and Sparks working together to save and change tiny lives throughout the North West. The Peel Group will be working with Sparks to put together an inspiring calendar of fundraising events. There will be something for everyone, with a wide programme of activities, including challenges, sporting endeavours and social events. As a focus for our current charitable activity we are supporting the new Manchester Children’s Hospital appeal and have raised in excess of £1.6 million over two years. This was started via a charitable donation of £1 million to the hospital and is being supported by a range of fundraising activity including the first ever swim of the Manchester Ship Canal (some 36 miles), by James Whittaker over two days. The swim raised in excess of £150,000 and separately The Trafford Centre is also supporting Manchester Children’s Hospital. Further to this a whole range of charitable donations are given locally on a much smaller scale by Peel and all its operating companies, assisting over 500 community organisations in the last 12 months.”

8.16 Peel’s charitable endeavours are in fact fairly feeble, though the Peel Group Charity Committee is chaired by John Whittaker’s daughter. The Group formally supports two charities – Sparks and Mylema UK. Both causes, though eminently worthy in themselves, appear to reflect the personal interests and/or experiences of Whittaker family members, which further reinforces the impression of a family determined to ‘micro-manage’ its empire.

8.17 Credit is claimed by the Group for the extra-curricular activities of “our people” (ie: Peel employees), irrespective of whether or not they undertake such activities wearing their ‘Peel hats’. There are few obvious collective, ‘in-house’ efforts. Moreover, those that are flagged up via the Peel Group website often appear to relate to the individual endeavours of John Whittaker’s adult children, which rather smacks of self-indulgence. A notice published in late 2008, relating to James Whittaker, is typical:

“The Ocean Gateway Challenge” is a 36-mile charity swim in the Manchester Ship Canal to be attempted by Peel’s development director James Whittaker. The challenge will launch a £50bn regeneration of the Manchester Ship Canal corridor and Liverpool Estuary areas and raise money for Peel’s chosen charity for 2008, the New Children’s Hospital Appeal. Patrons of the charity, Philip and Julie Neville, will officially launch the challenge with James at Salford Quays. On the day of the challenge (5th and 6th September), Peel will announce more details of the ‘The Ocean Gateway’ plans and developments. Key North West opinion formers will be invited on a ferry along the Ship Canal to be given specific details of the regeneration projects, as well as supporting James’ world first swim attempt.”

The charity event appears to have been combined with a commercial launch. Peel rarely, it seems, does something for nothing.

8.18 In early 2012, several Peel Group press releases were given over to the exploits of another son, John Peter Whittaker (also making reference to James):

111 ‘Peel’s Ocean Gateway Challenge’. Place North West. Undated but referring to event on 5 September 2008
“John Peter Whittaker, Corporate Development Manager at The Peel Group has successfully completed the Marathon Des Sables. He and his university friend Henry Williams battled through numerous sandstorms and temperatures reaching 51°C to complete the 152 mile multi-day endurance race in a total time of 36hr 46mins. The news of John completing the Marathon des Sables comes as it is announced that his brother James Whittaker will be taking part in the 2012 Olympic Torch Relay in Knutsford on 31st May. John has been raising money for Sparks and Myeloma UK and to date has raised over £35,000. Peel has kindly offered to match any donations made which will take the total funds up to £80,000.”

18.19 Peel clearly has contributed to a number of causes and this ought to be recognised but this is arguably small beer for a conglomerate of its size and wealth. An article published in January 2012 suggested that whilst Peel Holdings had posted an operating profit for the year of £55.2m and awarded a salary package of £369,000 to its highest paid director, it had donated just £17,000 to charity.113 Our own research found that in the year ending March 2012, one Peel company posting an operating profit of £450m in the twelve month period made just £27,275 in “contributions … for charitable purposes”114. Another which reported an operating profit of £553m (including £314m in advertising income alone) paid out just £17,110 in charitable donations.115 One of the companies we looked at did make charitable donations amounting to £1m, set against an operating profit of £926m. But the sums are singularly unimpressive, overall. Peel does not ‘give back’ much to the community, at all.

8.20 Peel’s public and community relations are one thing; its standing with elected representatives is quite another. The conglomerate does not court political parties. In March 1999, Tokenhouse Holdings Limited donated a little over £5,000 to Conservative Party coffers. In November 2001, Peel Holdings funded the Labour Party to the tune of £5,287 and in February 2009, Peel Land and Property (Ports) Limited donated £1,500 to Garston and Halewood CLP. These are such small amounts as to be insignificant. Peel does not, as a rule, make political donations.

8.21 Nor does the conglomerate ‘kow-tow’ to Central Government – arguably because it does not need to. Indeed, Peel executives are unafraid to tell government its business, on occasion, by citing the Government’s agenda back to it. One senior executive reportedly (and tartly) said: “The message the government needs to send is that the local people have decided. That is what localism is about.”116 The Group’s relationship with politicians is discussed further in section 13.

8.22 As far as we are aware Peel operates (and has always operated) within the law. We imply no impropriety or wrongdoing in any regard. But that is not, of course, what the broader, ongoing debate about responsible corporatism and ethical capitalism is all about. Whether Peel behaved responsibly and ethically in some of the instances cited in the case studies to follow is quite another matter. We would suggest – on the basis of the examples given – that Peel is a smooth operator and very good at paying lip service. But it is clearly quite prepared to show scant regard for - and ride

112 ‘John Peter Whittaker Completes the Marathon des Sable’. Peel Group press release. 20 April 2012
113 ‘Peel Holdings Posts Robust Results for 2011’. Manchester Confidential. 4 January 2012
114 Peel Holdings Land and Property (UK) Ltd: Report & Financial Statements for Year ended 31 March 2012
115 Peel Holdings (Land and Property) Ltd: Report & Financial Statements for Year ended 31 March 2012
roughshod over – the public interest, when its commercial interests are threatened or thwarted.
Controversy & Criticism: Case Studies

9.1 Peel has undoubtedly achieved ‘good things’ – it has taken on failing or struggling or underutilised concerns and made them viable in the short term at least and can lay some claim to having contributed (albeit often indirectly) to regeneration and to economic growth.

9.2 It is the way of the world for little attention to be paid to a subject when things are going ‘right’; only when things go wrong do the media sniff a story and thus raise public awareness. One ought not to feel too sorry for The Peel Group in this respect, however – its formidable press and public relations machine is more than capable of blowing the conglomerate’s trumpet and celebrating its actual or perceived successes. One need only visit its website, read Liverpool City Region LEP statements or Liverpool Vision press releases to find evidence of this.

9.3 That is why the case studies in this section demonstrate more controversial, less edifying aspects of Peel’s business practice.

9.4 The examples that follow have been selected because they demonstrate something of a pattern of corporate practice. Cumulatively, they suggest that negative allegations made about the conglomerate’s attitude and behaviour – particularly its approach to legitimate public concerns or objections – may not be entirely without foundation.

9.5 They illustrate issues and problems that have arisen in different UK locations, relating to different sectors at different times. The collection provides a far from exhaustive overview. But it gives a broad flavour of Peel’s corporate Weltanschauung and ‘behaviour’.

Burgess Farm, Salford, Greater Manchester

9.6 In July 2012, Peel was pleased to announce that its -

“plans for Burgess Farm, a residential development comprising of 350 houses in Walkden, Salford, were approved by the Secretary of State yesterday … The … scheme also involves the creation of two nature parks on land adjacent to the housing which will include family houses and affordable housing.”

9.7 Peel’s Director of Land and Planning said:

“We hope the development will go some way into helping to eliminate the housing shortfall in Salford whilst also providing much-needed open space for all to enjoy. Burgess Farm will deliver new homes and secure vital growth and jobs for Salford.”

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117 ‘Peel’s Burgess Farm Plans Approved’. Peel Group press release. 18 July 2012
118 ibid
9.8 What the press release failed to mention was that the 50 acre site earmarked for housing development stands on green belt land – working farmland, in fact - and that the decision represented the culmination of years of controversy and the overturning of an independent planning inspector’s recommendation, following a public inquiry, that planning permission be refused.

9.9 Burgess Farm – a working farm with sheep, beef cattle and hens – is to be flattened. The tenants of the farm, who currently lease it from Peel Holdings, have been there for 47 years. Peel said it would provide the tenant farmers with alternative accommodation for their livestock although the house and farm buildings were to remain on site.

9.10 A leaflet put out by the Burgess Farm Support Group summarised opponents’ main concerns and arguments:

- Closure of the last working farm in North West Salford. Burgess Farm is still working and still contributes to the ‘rapidly diminishing’ UK food chain.
- Increased traffic congestion. Some of the worst congested Motorways and ‘A’ roads in Salford surround this area. Poor public transport links to major employment areas.
- Loss of the last major open green space in Walkden South and a ‘green lung’ for the community. This area of Salford has some of the poorest air quality in the North West.
- The loss of wildlife. Increased public access to the land will create pollution and decimate existing wildlife.
- Poor access to the site. A single access point off Hilton Lane onto a development of this size would be totally inadequate and dangerous.
- Impact on the community. The development will have relatively minimal impact on the housing market renewal process but will have a major impact on the community.
- This land has been protected from housing and outcrop mining over the years and previous planning applications have been refused for sound reasons.119

9.11 A local resident and joint organiser of the support group said:

“There is strong opposition and it’s meaningful.”120

9.12 When she stood for re-election in early 2010, the Member of Parliament for Worsley and Eccles South, Barbara Keeley, pledged “to continue to fight to save Burgess Farm”, providing a neat summary of concerns via a statement on her website:

“A number of local residents have told me of their serious concerns about the impact of Peel’s proposed development at Burgess Farm and I share those concerns. Developing this land means the loss of a working stock farm and green open space. The Government’s National Strategy, Food 2030, says that we need to increase the number of farms involved in production, not decrease it. This is proposal is going against what we need in food production, nationally and locally. I also have concerns about the amount of traffic that could be generated. Roads in this area of Walkden would struggle with the added traffic congestion generated by a development of this size. Because I have campaigned to improve public transport in the area, I know our current public transport services would not be able to accommodate the added number of passengers from such a development. Local schools in Walkden would also struggle to cope with this increase in population. The quality of life of

119 ‘Save Burgess Farm’. Newsletter. 6 April 2010
120 ‘D-day in fight to save ‘last’ Salford Farm’. Manchester Evening News. 28 April 2010
local people could suffer as a consequence of the proposed development and I do not want to see this happen. I have already objected on behalf of local residents to Salford Council's proposal in their Draft Core Strategy to develop land at Burgess Farm. I will now send my objections to Salford Council on behalf of local residents and I urge local people to send in their views on this proposal as soon as they can.”

9.13 Campaigners against the development complained furiously that Salford City Council had ‘rolled over’ when Peel appealed against the original decision to refuse to give the go ahead. They accused the Secretary of State for Communities and Local Government of “sid[ing] with the £multi billion developers, which seems intent on exploiting every inch of land it owns in Salford, green or otherwise”.

9.14 The planning inspector had reportedly recommended refusal on the grounds that Greenfield sites should be encroached upon only in exceptional circumstances and that there was “no pressing housing shortfall to justify the development of this site and the benefits are not sufficient to outweigh that conflict and the harm it would cause.”

9.15 The reality was – as Peel rightly highlighted in the celebratory press release it issued – that “the decision was made in line with national policy”. Peel merely saw an opportunity to exploit changes to planning regulations made under the current administration. Needless to say, public inquiries cost money. Peel presumably sees legal fees as a worthwhile investment; the cost to the taxpayer is irrelevant.

9.16 In July 2012, when the issue was discussed at a full Salford Council meeting, councillors of all political persuasions bewailed the Secretary of State’s decision and were roundly charged by campaigners with beating their breasts and shedding crocodile tears only after having singularly failed to adequately defend the public interest.

9.17 Locals continued to rail against Salford Council, which they implicitly and explicitly accused of bungling its role “in the whole Burgess Farm Fiasco”. The chronology of events does suggest that the Council took its ‘eye off the ball’ during the planning application process, in a variety of ways – by miscalculating its projections and changing its position, allowing Peel to gain the upper hand.

9.18 Currently, Peel promotes the site as follows:

“Outline Planning Permission has been granted for the creation of a new neighbourhood for Walkden on a site known as Burgess Farm, located off Hilton Lane. The site is formed in two parts, an area of 3.95 hectares in the west which will remain as open land laid out as a Nature Park, and an area of 14.73 hectares which will accommodate [sic] the new housing together with further open space. This scheme will provide approximately 350 new family homes of mixed sizes from 2 to 5 bedrooms of which 20% will be affordable units. It will also provide a new 4 hectare Nature Park, a comprehensive green-space network accommodating [sic]
movement and footpaths through the site, a Local Equipped Area for Play (LEAP) and a new bus service connecting the new neighbourhood to Walkden town centre.”

9.19 No information is given, however, vis-à-vis the proposed timescale for the delivery of the homes and amenities promised.

Whitebirk Retail Park, Blackburn, Lancashire

9.20 The Members of Parliament for Blackburn and Hyndburn in Lancashire locked horns with Peel in summer 2012, when they angrily slammed the conglomerate for allegedly underhand attempts to acquire permissions relating to Whitebirk Retail Park via the “back door”.

9.21 In an adjournment debate held on 16 May 2012, Jack Straw MP explained how he intended “to show how Peel Holdings has made use of a legal subterfuge, which has had the effect of disguising its true intentions from local councils [and] verges on calculated deceit”. He added: “The trigger for this debate has been planning applications that Peel submitted in respect of the Whitebirk retail park, but its behaviour there is part of a pattern that it has adopted nationwide. It should be of concern to every council in the land to beware of Peel Holdings making apparently trivial planning applications, because their motive and their effect will be wholly different from their appearance.”

9.22 His allegations centred upon the fact that the retail park had long been subject to ‘bulky goods’ restrictions – the sale of electrical white goods, furniture, DIY products and so on. As long ago as 2005, Peel had sought – unsuccessfully - to have these restrictions relaxed, to allow the sale of goods typically found in high streets such as fashion and foodstuffs. As this would have had a detrimental impact upon the local towns of Blackburn and Accrington, Peel’s application was refused by Hyndburn Council in July 2007. Undeterred, “Peel appealed. At the subsequent inquiry held in April and May 2008, the appeal was dismissed, the inspector stating: “I have expressed my concern that geographically superior locations to Whitebirk exist in the centre of both Accrington and Blackburn for the type of development proposed in this scheme. Furthermore, I fear the development would have a negative and harmful impact on these critical areas of both towns … Notwithstanding the benefits included in the scheme, I consider it is of vital importance in this case that the policy in respect of town centres should not be comprised”.

9.23 According to Mr Straw, this should have been the end of the matter “but Peel is famous for its single-minded pursuit of its own interests, regardless of the interests of others; it does not enjoy taking no for an answer. So having failed to get in via the front door, in daylight, it embarked on a strategy of forcing its way in, at night, by a back window that had not been sufficiently locked and barred.”

9.24 The MP contended that following the rejection of its application, Peel proceeded to spend two years submitting 29 separate, apparently “minor and uncontroversial” planning and associated applications for improvements and alterations. They all received approval. He suggested that only in December 2011 did Peel’s motives become apparent, when the conglomerate “sought six so-called lawful development certificates”, claiming that “the effect of the 29 separate, minor and apparently unrelated planning approvals, when taken together, was sufficient to liberate it from the restriction to bulky goods that had been on the site since its inception as a retail park. It was claiming that the whole was infinitely bigger than the sum of those 29 parts”.

9.25 Mr Straw also pointed out that Peel adopted this particular “series of subterfuges” because “it had used a similar approach successfully with Sunderland Borough Council” and that the conglomerate had repeatedly provided assurances in respect of each of its 29 minor applications being self-standing and limited in scope. “However, the moment that Hyndburn borough council sought to take Peel at its word and refused the lawful development certificates that would have lifted the bulky goods restriction, Peel resorted to threats. It abandoned the soft soap of its earlier reassurances, and instead threatened the council with huge legal costs if it stood in its way.” Sure enough, the Council is now involved in the expensive business of a high court hearing on whether Peel’s legal argument stands.

9.26 Mr Straw did not mince his words, reiterating that Peel “is aggressive in its pursuit of its interests, regardless of what local people or elected councillors think about them.” He added:

“A survey by my council suggests that about a dozen authorities have been caught out by a subterfuge of this kind – mainly, but not exclusively, by Peel – or fear that they are in the process of being so duped.”

9.27 The matter continued and BBC Radio Four featured the case in July 2012. In interview, Peel Holdings’ director of communications refused to be drawn on whether Peel’s plans to attract new ‘high street’ tenants to Whitebirk would draw trade away from the local town centres: “We’re not saying no and we’re not saying yes”.

9.28 Jack Straw told the same programme: “It is a legal subterfuge, there is no question about it, few people in the property development world deny its anything but a legal subterfuge and the message I get is well anything goes, if we can find a way round the decisions of an elected people we will because we want to make money out of it. And it’s simply wrong, it’s amoral for a developer to say well we’re not accepting this, we’ve found this dodge and you’ve now got to give us the planning permission which you refused four years ago.”

9.29 The programme also revealed that the local chamber of commerce was opposed to Peel’s proposals.

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125 ‘Face the Facts’. BBC Radio Four. 25 July 2012
9.30 Peel, for its part, remained unashamedly bullish about its intentions, telling a local news station: “Peel have been seeking to invest up to £16m in a failing retail park [which] will lead to around 250 new jobs and a retail park facility which will provide a local alternative to those in Preston and Bolton. This, in a time of economic decline and in an area of need.” By its own admission, then, the retail park was “failing” – and there was no mention of high streets or town centres (which are of little interest to Peel the developer).

9.31 The High Court ruled against Peel in November 2012 but the presiding judge allowed for a test-case appeal against his decision. Peel reportedly said: “We have been given permission by the Court to appeal the decision and will of course be reviewing the case in more detail with our legal team.” It was revealed later that month that the conglomerate had decided to go to the Court of Appeal.

9.32 Graham Jones, the other MP for the area in question, was uncompromising in his criticism of Peel in a blog posting entitled ‘Peel Holdings can’t assume they can have it all their own way’: “Their reputation as a predator company has seriously dented their reputation … What Peel have done is sneaky and underhand. Predator capitalists willing to bend the rules via the back door, exploit local people and the democratic process for commercial gain. Their arguments about more jobs and more business are to me pie in the sky figures, promises from a company who have lowered their standards of conduct considerably in order to get what they want”.

9.33 Jack Straw alleged elsewhere: “Peel have used this tactic before, in Sunderland, where they won their court case. In other areas – Cheltenham, Wycombe, Barnet, Southwark, Plymouth and Liverpool – they and other developers have been able to gain their ‘Lawful Development Certificates’ by aggregating minor planning permissions to override the local Councils’ determination to protect their town centres, without having to go to court, such are the high legal costs Councils face, and the confused state of the law.”

9.34 In February 2010, Peel submitted a planning application to build a wind farm in Frodsham. The proposed site would house 20 wind turbines, each 125m tall. One of the reasons cited by Peel for the selection of Frodsham as a location was the ‘Ocean Gateway’ project (see section 18) and their desire to regenerate the Liverpool to Manchester corridor. Peel also claimed that the proposed wind farm could generate enough electricity to meet the needs of more than one-fifth of the households in Cheshire West and Chester and that 50 jobs would be ‘supported’ throughout the construction.

Frodsham Wind Farm, Cheshire

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126 ‘Jack Straw criticises Peel Holdings’ ‘subterfuge’”. BBC News Lancashire. 17 May 2012
127 ‘Relief for town centres at Peel Holdings loses appeal over plans for Whitebirk retail park’. Lancashire Telegraph. 1 November 2012
129 ‘Peel Holdings can’t assume they can have it all their own way’. Graham Jones MP. Website. 17 April 2012.
130 Jack Straw MP. The Times. 25 July 2012
132 ‘Frodsham Wind Farm Approval’. Peel Group press release. 24 October 2012
9.35 In addition, Peel suggested that potential beneficiaries of the wind farm would include walkers, horses and cyclists who could take advantage of the improved access to the marshes, along with the local economy, which could see a ‘modest’ improvement during the construction period and as a result of tourists visiting the turbines.¹³³

9.36 Cheshire West and Cheshire Council did not agree; they objected to the proposals later that year. Nor did Graham Evans, the MP for Weaver Vale, who supported the ‘Residents Against the Wind Farm’ campaign group which led the opposition to the proposals, saying on his website:

“These proposals would destroy a beautiful stretch of Cheshire countryside, which provides a vital habitat for local wildlife and a green lung between two industrial complexes.”¹³⁴

and questioned the rigor of Peel’s evidence base, in Parliament.

9.37 A public inquiry subsequently began in November 2011. After a two year process, the proposals received Government approval on the 19 October 2012. Cheshire West and Chester Council initially hoped to appeal the outcome of the public inquiry, believing the concerns of the local communities had been ‘ignored’ in favour of achieving a ‘quota for renewable energy’.¹³⁵ It announced in November 2012, however, that it would not challenge the decision because the chances of success were so slim and the costs so high. The local newspaper reported that “[a]fter years of campaigning, the fight to stop giant wind turbines ‘overshadowing’ Frodsham is officially over – as it would be too great a risk to council tax payers’ money.”¹³⁶

9.38 Peel have yet to mark a date for construction to begin but it is estimated the wind farm will take between two to three years to build, meaning it could be completed by 2016.¹³⁷

9.39 Little information has been released since the project received the ‘green light’ in late 2012. Before the public inquiry Peel pledged to give a community benefit fund between £1.5 and £2.25m if the plans were granted permission. No more appears to have been said about this ‘sweetener’. Peel said they would reopen talks on the fund in the 2013 New Year.¹³⁸

9.40 Criticism of Peel’s plans for the wind farm can be traced as far back as 2009 when Peel were merely floating the idea to the local community. Tony Hinkins, of Frodsham Town Council, disputed Peel’s claim over the amount of energy which would be generated by the turbines, to which Peel responded by saying that their figures were not exaggerated.¹³⁹

¹³³ ‘Guide to Frodsham wind farm planning application’. Peel Energy website. Published 2010
¹³⁵ ‘Fight to stop Frodsham Windfarm has been abandoned’. Chester Chronicle. 15 November 2012
¹³⁶ ibid
¹³⁷ ‘Developers Peel have welcomed news on the green light for Frodsham Windfarm’. Chester Chronicle. 25 December 2012
¹³⁸ ibid
¹³⁹ ‘Wind Farm Power Claims Questioned’. BBC News. 25 November 2009
9.41 Note that Peel is delivering on Government policy. In August 2011 the Department for Communities and Local Government (DCLG) produced a report on renewable energy – the Local Government Resource Review – which reaffirmed the Government’s commitment to renewable energy and demonstrated a clear desire to support renewable alternatives, including wind farms.

9.42 The DCLG has also issued financial incentives to local authorities with the clear aim of encouraging them to grant permission to wind farms. As of April 2013, for example, local authorities will be able to retain a greater level of the business rates generated by wind farms and other such developments.

9.43 Other important developments in regard to onshore wind farms have been:

- The Government’s abolition of the Regional Spatial Strategies (RSS) which removed wind farm targets from local authorities (the only point which might be construed as being ‘anti’ wind farms).

- The publication of the National Planning Policy Framework (NPPF) in March 2012, which attempts to find a balance between the need for local authorities to encourage renewable energy and the need for local authorities to consider the wishes of local residents along with the environmental impact.

- A potentially important legal battle which occurred in May 2012, when a company that was refused planning permission decided to challenge the decision in the High Court. Their appeal was rejected on the grounds that Government targets did not justify the countryside being damaged.

9.44 Despite the Government’s best efforts, they have found it difficult to achieve an increase in local wind farm approvals. The figure peaked at 97 in 2009 but has fallen to the current level of 84. Organisations such as the Campaign to Protect Rural England have been instrumental in opposing any plans for development. The main reason for wind farm developments being refused permission is the potential harm to the landscape. Other reasons differ on a case-by-case basis, and they vary from concern about air safety to the potential threat to nearby wildlife.

9.45 Given all this, it is clear that whilst Peel is likely to continue to enjoy Government support for its wind farm ventures, the conglomerate is equally likely to come up against fierce public opposition whenever it embarks upon new a project.

**Coal Fired Power Station, Hunterston, North Ayrshire**

9.46 Ayrshire Power, owned by Peel Energy, submitted plans to build a new coal fired power station to North Ayrshire Council in 2009. Many local residents were appalled, with campaigners reporting at the time that “given the impact of a dirty coal station on
Scotland’s emissions targets, it is unusual, to say the least, that the Scottish Government has fast-tracked Peel’s application to build this station”.  

9.47 In the same year, Peel’s backer – Danish power giant Dong Energy – pulled out of the project, leaving Peel “to run the scheme without a power company as a partner in the consortium”. Even this, apparently, did not deter The Group.

9.48 The proposals were subsequently rejected, locally, in November 2011, following widespread environmental concerns and the submission of over 22,000 objections. The issue gained the reputation for being the most controversial in Scottish planning history. Peel vowed to fight on through appeal and a public inquiry was set for June 2012.

9.49 Just ahead of the start of the inquiry, however, the conglomerate withdrew its planning application, claiming “the timing of the economic slowdown and funding uncertainty have not worked in our favour”. Campaigners such as Richard Dixon, the director of World Wildlife Fund Scotland, were delighted: “Walking away was the only sensible option … Let’s hope this proposal never sees the light of day again.”

9.50 The project director continued to insist the plan was still a good one, however, and that only commercial considerations had played a part in the decision. In statements reported by the BBC, he made no reference to the overwhelming public opposition to the proposals and gave no indication that any environmental concerns about ‘dirty coal’ had been taken on board.

9.51 What was ostensibly a ‘defeat’ for Peel, the company renowned for getting its own way, was possibly only a carefully contrived and temporary climb down. The project director also said: “We will now take some time to consider our options and determine under what circumstances we will revisit our proposals.”

**Peel Election Probe, Salford Council, Greater Manchester**

9.52 In July 2008, Salford CID investigated whether Peel Holdings had broken electoral law. The matter centred around Roger Jones, who at the time of the May 2007 local elections, sat on Salford Council and was chairman of the Greater Manchester Passenger Transport Authority (GMPTA). At the time, Cllr Jones was considered to be “at the forefront of plans to introduce the [congestion charge] toll in his role with the GMPTA” whilst Peel, for its own reasons, was reportedly “one of the major forces behind the anti-congestion charge lobby”.

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140 ‘Clydeport’s tax avoiding billionaire owner now plans profit from dirty coal at Hunterston’. For Argyll. 19 October 2009
141 ‘Hunterston power station plans withdrawn by Ayrshire Power’ BBC News Scotland: Business. 26 June 2012
142 ‘Plans for carbon-capture power station abandoned’. The Guardian. 26 June 2012
143 ibid
9.53 It was reported that ahead of the elections, after commissioning market research on the subject, a senior Peel executive met with Cllr Jones’ political opponents to discuss “how his company could help candidates standing in opposition to the Labour Party defeat councillors who were backing the congestion charge.” Much was made of the fact that the individual concerned supposedly said: “I’d like to explain our position – and then you can consider to what extent you are prepared to dance with the devil”.

9.54 Due to complaints about all of this, a month before the elections in question, the GMPTA formally decided to ask the Electoral Commission to investigate Peel’s actions in relation to “promoting or discouraging a candidate”. Salford Borough’s returning officer did this on the GMPTA’s behalf. The Electoral Commission advised the matter ought to be referred to GM Police and these in turn decided the matter did warrant further investigation.

9.55 No charges were ultimately brought and Manchester Evening News’ own investigations unearthed no evidence of wrongdoing.

9.56 Peel stated at the time:

“We strongly refute that we have in any way breached electoral law and will welcome the opportunity to discuss any specific concerns raised by the GMPTA. [...] Our position on congestion charging is a matter of public record. [...] In a routine meeting with two political parties in January 2008 – part of a series of meetings with councillors from all parties and several boroughs – we acknowledge that director Mike Butterworth used some inappropriate language in good humour, however we strongly refute any breach of electoral law. The remarks do not in any way reflect company policy or the spirit in which we operate. We neither support, fund nor campaign on behalf of any political party and never have done so”.

9.57 Keen to limit reputational damage, the Peel PR spin machine was clearly anxious to distance the conglomerate from its senior executive’s comments. Note that the last claim was not entirely correct – Peel had three times donated to party political coffers.

9.58 That the matter was dropped is, in some respects, academic. What the case surely demonstrated is the blasé political power Peel wields and the presumption with which it operates. It is clearly quite standard, for example – “routine” – for Peel to gather groups together to push its own commercial interests on very specific issues – in this case, congestion charging. Lobbying is what companies do, of course – but this case appeared particularly close to the bone, when it came to potential interference in democratic protocols and processes.

9.59 Moreover: is it actually “routine” for private corporations to meet on specific issues with “political parties”, rather than with cross-party groups of elected representatives? Isn’t that what Rupert Murdoch was prone to do?

In the event, the congestion charge proposals – against which Peel vigorously campaigned - did not go ahead.

**MediaCityUK, Salford, Greater Manchester**

Peel has extensive interests - existing and planned, large and small - in and around Salford in Greater Manchester. The conglomerate’s increasing hegemony in the area has caused considerable disquiet in recent years.

The Peel Group owns and manages MediaCityUK in Salford Quays, by far its most ambitious project in the area. It is – as are most of Peel’s major projects these days – a ‘mixed use’ development. It is occupied in part by BBC North - which employs over 2,300 staff and leases three buildings from the company for studio and office space - and by others, such as ITV Granada, the University of Salford and over fifty smaller companies. Peel also offers 378 private apartments (for either sale or rent) across two towers, as well as venues designed to attract retailers.

In April 2007, with unwavering support from Salford City Council and the Northwest Regional Development Agency, Peel gained planning permission for the first phase of its development at MediaCityUK: the BBC buildings. At this point, Peel promised that it would: “attract private investment of over £300m in the first phase alone…and provide employment opportunities for 15,500 people”.

The BBC has a twenty-year lease with Peel at MediaCityUK and it has been reported that the public service broadcaster will pay £233 million in studio rents, and £170 million in office rents, over this period. High rates of rent at MediaCityUK were the reason many smaller media companies chose to stay away, according to a local news source. In addition to collecting millions in guaranteed rent from large public sector sources however - reportedly, over £19 million in campus rent from the University of Salford until 2020 and £3.8 million from Salford Council until 2016, for the lease on its Media Enterprise Centre office complex - Peel was able to circumvent key aspects of Salford Council's planning policy, thus benefitting further from public funds.

The company was not required to provide affordable housing, for example, as Salford Council waived some of its key financial contribution policies as part of its commitment to the MediaCityUK development:

“I have already discussed the provision of affordable housing above, and have concluded that, given the large amount of investment and the level of public realm and infrastructure that

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146 ‘BBC Confirm Move of Five Departments to MediaCityUK’. Peel Group press release. 31 May 2007
147 ‘BBC’s Salford Move Brings Upheaval’. The Guardian. 11 January 2010
148 ‘How The Public Paid for Peel Holdings Salford MediaCityUK’. Salford Star. 18 January 2012
149 ibid
150 ibid
would be provided within the site, the applicants are not required to provide affordable housing in this instance.\textsuperscript{151}

9.66 Nor was Peel required to contribute to the training costs of construction workers:

“The applicants have commented that the proposals would result in the creation of of in the region of 15,000 jobs in addition to training opportunities. Clearly, this would represent a significant economic benefit to the city. In view of this, and the other benefits and investment highlighted above, I do not consider it necessary to require the applicants to make a contribution towards training for construction workers in this instance.\textsuperscript{152}”

9.67 Despite the fact that much of the cost of building and developing MediaCityUK was met by public money, in June 2012 security guards employed by Peel allegedly swiftly removed University of Salford union members picketing peacefully on the campus as part of the national day of action over public sector pensions, on the basis that they were trespassing on private property\textsuperscript{153}. Others have reportedly been prevented from leafleting and filming on the site, on other occasions\textsuperscript{154}.

9.68 MediaCityUK is held up as an example of Peel successfully creating employment opportunities for local people. Indeed, it is referenced repeatedly in promotional literature and in planning applications. The general public were given to understand the development would provide huge numbers of jobs, particularly in the media, for local people.

9.69 There was deep scepticism about this from the start. Even as the development was underway, some local onlookers were questioning Peel’s claims. A blog published by one is worth quoting at length:

“[J]ob creation has been the main selling point for locals, with a 15,000 figure quoted at every opportunity. Central Salford’s website states that: ‘[Mediacity] will support approximately 15,500 jobs in a whole range of media related industries, plus all the jobs you would expect in a fully functional city. Everything from construction workers and electricians to doctors, hairdressers and shop workers.’ The Learning and Skills Council repeats this: ‘[T]he mediacity:uk developments are estimated to bring 15,000 new jobs to the city.’ The Salford Advertiser reported that the development is ‘expected to create 15,000 jobs’. The Manchester Evening News agreed that MediaCity would ‘create 15,000 jobs in the film, TV and creative media industries.’ Quay Property Investments: ‘Media City UK to create 15,000 jobs.’… The Star asked Central Salford how it arrived at this talismanic figure. Central Salford sent over its \textit{MediaCity UK Economic Impact: Overview}… Nowhere [in] the Overview does it say that 15,000 new jobs will be created in MediaCity UK (MC:UK). What it does say is that MC:UK ‘will eventually house 15,000 new jobs’ which we assume means that if companies relocate onto the site bringing their workforce with them and fill every bit of available space there will be 15,000 people working there. The Overview does state that 10,500 new jobs will be created but only 7,000 of them will be ‘net local additional jobs’. 7,000 new jobs? Yes, but not in Salford. These are new jobs spread out over the whole North West. 3,250 new jobs? Bingo! Central Salford URC said ‘At a local Salford level approximately 3,250 net

\textsuperscript{151} MediaCityUK. Outline Planning Permission Document 06/53168/OUT, p. 65
\textsuperscript{152} MediaCityUK. Outline Planning Permission Document 06/53168/OUT, pp. 66-67
\textsuperscript{153} ‘Landowner’s security guards prevented strikers from picketing at university. The Guardian. 12 June 2012
\textsuperscript{154} ‘How The Public Paid For Peel Holdings Salford MediaCityUK’. Salford Star. 18 January 2012

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additional jobs will be created as a result of MediaCity UK.’ So where did they get the figure of 15,000 jobs? Central Salford URC said, ‘The 7,000 net additional jobs around the north west is derived from the 10,500 gross direct jobs less leakage, displacement, multiplier effects and deadweight. The remaining 5,000 jobs that result in a figure of 15,000 are those that are considered to be safeguarded and are excluded from the calculation of net additional employment. The figures are based upon a comparison of the costs and benefits of MediaCity UK with a reference case to establish the net additional impacts arising from the proposed scheme, taking into account leakage, displacement and substitution, multiplier effects and deadweight. The assessment was completed in March 2006.’ … Something tells me that most of these 3,250 jobs will be of the uniformed, service-sector, minimum wage variety.”

By mid-January 2012 (at which point the first phase of the development was very much complete), just 24 Salford locals (of 3,172 who applied) had gained one of the 1,846 jobs at MediaCityUK:

“Figures obtained by the M.E.N. show fewer than one in 100 people from the city who applied for a position there were successful. And – of the 24 Salfordians who did get a job – eight were on six-month ‘ambassador’ contracts for 16-19 year olds, paying between £3.64 an hour and £4.92 an hour.”

A report produced in April 2012 for the Salford Council Scrutiny Committee appeared to further vindicate the sceptics’ fears. It found that – notwithstanding the appointment of a £650 per day consultant to find employment for Salford people – the jobs that had thus far been created were largely in shops, part time hotel work and security, confirming that “the majority of jobs have been low paid, part time and hardly the quality that people were led to believe”. The report’s authors said this was because “[a] number of companies located at MediaCityUK have re-located from elsewhere and as such have brought substantial workforce with them … Therefore, the new opportunities so far have tended to be in sectors such as facilities management, hospitality and retail.” As local watchdogs pointed out, however, because “at present there is no published data available” the report had in fact been merely based upon ‘local intelligence’ and a ‘sample survey’. Subsequently: “No one is providing real figures on how many new jobs for Salford people have been created through the millions and millions of pounds worth of public money being spent on MediaCityUK. The only true figures come from the BBC – 16 new jobs for Salford people”.

By early 2013, it was revealed that the BBC – Peel’s key tenant at MediaCityUK – is intending to shed hundreds of jobs in Salford over a five year period. One trade union official, speaking to local journalists, made an eminently reasonable point:

“This is what we worry about. In terms of local people getting jobs here, to be brutally honest it’s cleaning jobs, it’s catering jobs, it’s not the sort of highly skilled journalistic jobs that the area was promised when Media City was first muted. If the BBC is making existing members of staff compulsorily redundant that means in terms of taking on anyone who lives locally into

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156 'Revealed: 3,172 Salford people applied for BBC MediaCity jobs - and only 24 were hired’. Manchester Evening News. 17 January 2012
157 'Salford Media City Jobs Exposed’. Salford Star. 4 April 2012
158 ibid
those jobs, it's an incredibly slim chance. Why would they be taking people on whilst sacking
people?" 

9.73 Peel Media Limited received a total of over £800,000 from Salford City Council, in five payments, in January 2011. This was trifling compared to the amounts of public money alleged to have been funnelled into Peel's MediaCityUK project. In January 2012, local community journalists reported that “huge amounts of public money” had been “sunk into” the venture, “virtually covering all of Peel's £490 million costs on the development”:

“According to the latest set of accounts from Peel Media (Holdings) Ltd – one of three Peel subsidiary companies that own and run MediaCityUK – the 'historical cost' of its properties on the Quays was £490.8 million. Meanwhile, the public sector will pay Peel nearly £487 million in rents, grants and hire fees. This breaks down as …

- BBC rent of studios £233m (over 20 years)
- BBC rent of offices £170m (over 20 years)
- University of Salford campus rent £19.126m (until 2020)
- Salford Council lease on Media Enterprise Centre £3.8m (until 2016)
- NWDA/Salford Council (et al) grants for public realm and transport £61m

The total of £486.9m in public finance for the privately owned MediaCityUK means that Peel have virtually covered all its costs – before raking in profits from its 378 apartments (est. value £56m), its car parks, and its office space and studios rented out to private sector companies, including TV. NWDA and Salford Council financial contributions for things like the main piazza at MediaCityUK and the Metrolink, have only ever been disclosed as being £30m. But a Salford Council report recently stated that a ‘total public sector investment of £61m has been committed into Media City for the provision of public realm and transport infrastructure. Normally when developers build hotels and apartment blocks they have to make payments to Salford Council under Section 106 for things like open space, infrastructure and heritage. In the original application put in by Peel the outline planning permission for Media City, this was calculated to be £5.56 million. But Peel never had to pay it.”

9.74 It was later reported, in September 2012, that Salford Council had agreed to pay out over £30m in public grants and loans to support Peel's development of Port Salford and that “Peel has also had almost one million Euros from Europe for its plans". In addition, “the Government's Department for Business, Skills and Innovation's Regional Growth Fund is chipping in another £15 million.”

9.75 Peel also promised to build new homes on the MediaCityUK site. No sooner was the project underway, however, than it was reported that wealthy Chinese investors were "snapping up property worth almost £5m." According to the press article: “It was hoped that local residents would buy the new flats as part of the regeneration of the area. Foreign landlords will now be free to charge huge rents to those already in Salford or BBC employees who choose to relocate to the Greater Manchester city". James Whittaker, in his capacity as development director for the conglomerate, was very open about Peel's intentions:

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159 'Salford BBC strike at Media City'. Salford Star. 18 February 2013
161 'How the Public Paid for Peel Holdings Salford MediaCityUK'. Salford Star. 18 January 2012
162 ibid
163 'Peel Holdings £31 million public subsidy for Port Salford'. Salford Star. 11 September 2012
164 'Chinese buy up BBC's city'. The Express. 24 July 2011
“It became apparent at last year’s Shanghai Expo that there is a real demand for UK investment opportunities within the Chinese market. The hotels there are booked each weekend by London-based developers selling schemes off-plan, so there was overwhelming evidence that marketing to this cash-rich corner of the world would pay off. We also had the benefit of a completed development and the twin attractions of the BBC and Manchester United to a market that loves British brands. It was still a big risk for us. We invested £75,000 in marketing and needed to sell between eight and 10 units to break even. We sold 24 units to 24 different individuals. We achieved £3million worth of sales in three days in Hong Kong. We went on to Kuala Lumpur where there is a massive Manchester United following and, while we did not do as well as Hong Kong, as the market there is more cautious and conservative, we still sold 12 units in two days. Since our return all 36 have completed. Mr Whittaker added: “Chinese investors are very savvy, they want the best return for the least risk and were attracted not just by the fact that prices here are a third of the London equivalent but that they get instant returns.”

Clearly, the jury is still very much out on whether Peel has yet ‘delivered’ – or will deliver - in Salford for local people. Local watchdogs clearly think not.

More broadly, the MediaCityUK experience surely raises questions about the guiding principles of a private sector organisation that has been, in this instance at least, so willing to pursue a low-risk strategy by taking public money from several sources but so reluctant to return it to local residents - and prepared to deprive them of both opportunities and rights.

As a design project, the faux ‘city’ has been roundly mocked. The entire development was awarded an industry Carbuncle Cup in 2011 and the reasons given by Building Design magazine are worth quoting at length, given Peel’s proposals for Wirral and Liverpool (see sections 15 and 16):

“This year … the honour goes not to an individual building but to a £600 million development on the banks of the Manchester Ship Canal — MediaCityUK. /On the face of it, this project had everything going for it. Its 81ha site enjoys a splendid waterfront location, alongside the Lowry arts centre and the Imperial War Museum North. There were no significant planning constraints and the site lay within the ownership of a single developer. Its programme includes the regional headquarters of the BBC and ITV, the media studies department of Salford University, a hotel, housing and a school. It had every opportunity to be a piece of city to be treasured for centuries to come. /The reality, however, is scarcely distinguishable from the Media Cities in Dubai and Qatar that the developer, Peel Holdings, has evidently taken as its model. /Whatever urban aspiration may be indicated by its name, a city is the last thing one would mistake this development for. There is no urban idea to speak of whatsoever — no space that one might recognise as a street; no common architectural language; no difference between the fronts and backs of buildings; no distinction between the civic buildings and the private ones. As Rowan Moore remarked of the university faculty's wanly corporate expression, “One is not looking for the Gate of Honour at Gonville & Caius, but… something!” /What we are presented with instead is a crazed accumulation of development, in which every aimlessly gesticulating building sports at least three different cladding treatments. The overriding sense is one of extreme anxiety on the part of the architects — an unholy alliance of Wilkinson Eyre, Chapman Taylor and Fairhursts — about the development’s isolation, 20
minutes’ tram ride from the centre of Manchester. The incessant visual excitement reads as a desperate attempt to compensate for an underlying lack of urban vitality.\textsuperscript{166}

9.79 A year later, a Times columnist wrote, after visiting the site: “How best to describe the BBC’s shiny new imperial outpost by Salford Quays? A shanty-skyscraper city from a remote asteroid meets cut-price Dubai floating in uneasy suspension between godforsaken motorways in the Greater Manchester rain”.\textsuperscript{167} He also described the MediaCityUK development as a “gimcrack” and “essentially pointless”.

9.80 British born but Auckland based academic, Brett Christophers, has examined and written extensively and incisively about MediaCityUK in “Envisioning Media Power: On Capital and Geographies of Television” and in an essay entitled “The BBC creative class and neoliberal urbanism in the North of England”. He pulls no punches when he asks: “Which Salford – or which Salfords – the BBC move is intended to profit; and which Salfordians” and writes: “It is noticeable and significant that among the many local organisations involved in promoting and scopeing the BBC move, none explicitly represents local communities. Perhaps most notable by its absence has been Salford’s Local Strategic Partnership, Partners IN Salford. Amongst this group’s other objectives are to provide a ‘common voice for the area’ and to find ‘ways to tackle poverty and deprivation’. Yet it has not figured in the BBC project”. The BBC is not Peel, of course – but the viability of MediaCityUK clearly depended upon the BBC move to Salford.

The Pinewood Group, Buckinghamshire

9.81 ‘Pinewood’, which includes Pinewood, Shepperton and Teddington Film Studios, is widely held to be something of a national treasure.

9.82 According to the corporate ‘bumph’\textsuperscript{168}, Pinewood Shepperton plc:

- is Europe’s largest provider of stage and studio space
- provides finance to UK film and television production
- accommodates 34 stages, five dedicated digital television studios and five digital presentation studios
- is home to Europe’s leading studio-based underwater filming stage, as well as one of the largest exterior water tanks in Europe
- has Europe’s largest green screen
- has been ‘home’ to over 1,500 films in the last 76 years
- has hosted over 600 TV shows

9.83 Peel has retained shares in Pinewood Shepperton film studios since 2007. In early April 2011, it owned 29.8% of the company and announced a proposed takeover of the business\textsuperscript{169} as part of its investment in the wider media sector (phase one of the

\textsuperscript{166} ‘Salford Takes the Prize’. Building Design Journal. 1 September 2011
\textsuperscript{167} ‘Media city? More like skyscraper shanty town’. The Times. 4 October 2012
\textsuperscript{168} ‘Submission of New Planning Application’. Notes to Editors. Pinewood Shepperton plc. 1 February 2013
\textsuperscript{169} ‘Pinewood Backs Peel Takeover Bid’. The Guardian. 27 April 2011
MediaCityUK development was well underway at that point). Mohammed Al Fayed showed some rival interest but Peel swiftly outbid him.170

9.84 Peel indicated that it expected Pinewood to operate independently of MediaCityUK. The Group also announced its intention to proceed with the ‘Project Pinewood’ proposal – a highly unpopular plan to develop 100 acres of greenbelt land – 1,400 houses adjacent to the studios71. The conglomerate’s offer gained the undivided support of Pinewood’s directors and Peel stated that it expected the deal to be finished by the end of June 2011. 172

9.85 At the beginning of June, however, the Office of Fair Trading began an investigation into the proposed takeover, due to concerns about Peel obtaining too large a market share of TV production facilities. There was the possibility of a 40-day investigation if Peel was found to have over 20% of the market share, and of the case being referred to the competition commission173.

9.86 Peel’s motives were questioned. Some suggested that the proposed takeover was part of a wider strategy by Peel to “run down the famous Pinewood and Shepperton film studios and re-locate them in Salford”174.

9.87 Others speculated the Group planned to ‘cash in’ on expensive South Bucks land by continuing to pursue ‘Project Pinewood’. In June 2011, Jonathan Stuart-Brown of the Film Industry Lobby Group said:

“My best guess…is that Peel will, post-takeover, cash in quickly on the very expensive Pinewood, Shepperton and Teddington land values going into an Olympic 2012 property bubble. They will rebuild step by step the sound stages, and underwater tanks and backlots, post-production facilities on the Peel portfolio of North West lands. This will gentrify their holdings in accommodation, retail, hotels…”175

9.88 At the time, local campaign group ‘Stop Project Pinewood’ agreed:

“Many people in the film industry believe that if this scheme were to get the go-ahead Pinewood Group’s primary profit-centre would shift from being a film production facility to one of land developers”.176

9.89 In the event, however, the OFT did clear the Peel Holdings takeover of Pinewood. John Whittaker, Mark Senior, Peter Hosker and Neil Lees (all executives of The Peel Group) were duly appointed to the new Board of Pinewood Shepperton plc on the 13 July while three Pinewood non-executive directors stepped down. Peel thus obtained control.177

170 ibid
171 ‘Offer For Pinewood Shepperton’. Peel Group press release. 3 June 2011
172 ibid
173 Watchdog Probes Peel Move For Pinewood’. Financial Times. 1 June 2011
174 ‘Peel Holdings MediaCityUK Pinewood and Monopolies’. Salford Star. 17 June 2011
175 ibid
177 ‘Board Changes at Pinewood Shepperton PLC’. Peel Group press release. 13 July 2011
9.90 Pinewood Shepperton PLC continued in pursuit of its objective of gaining planning permission for Project Pinewood but consent was finally refused by the Secretary of State for Communities and Local Government in January 2012. Shares in the company fell more than 6% following the refusal. A few months later, in May 2012, Pinewood Shepperton PLC’s Peel-led Board proposed that the company delist from the London Stock Exchange. 178

9.91 It became apparent very shortly thereafter that Peel was determined to go ahead with some variant of the ‘Project Pinewood’ expansion plans - on 17 May 2012, it was made clear that “The Company [Pinewood] continues to implement its plans for Shepperton Studios”.179

9.92 The following month Pinewood Shepperton announced that the Isle of Man Treasury Minister had tabled a resolution which would authorise the Treasury to use £24 million of its reserves to purchase just less than 20% of the company’s shares - conditional on the consent of the Isle of Man parliament. A few days later, Pinewood made clear that it was negotiating a contract with the Government of the Isle of Man ‘to source and advise’ on film investment opportunities for its £25 million ‘Media Development Fund’.180 The negotiations clearly went well - the agreement was signed on 1 October 2012.

9.93 This last development is revealing. John Whittaker is one of the Isle of Man’s richest and most influential grandees, on first name terms with the island’s ruling elite. Peel is the ‘link’ between the Isle of Man and Pinewood Shepperton and between the Isle of Man and the media industry. One the face of it, the conglomerate appears to have managed to orchestrate government (IOM) funding for its media interests.

9.94 In early 2013, Pinewood Shepperton plc announced it was submitting an expansion plan – the so-called ‘Pinewood Studios Development Framework’ to South Bucks District Council. It would, they claimed “have a positive impact on the economy” by:

- “providing £194m of private sector infrastructure investment”
- “supporting over 8,100 full time jobs”
- “creating some 3,100 net additional jobs”
- “producing an additional £149m Gross Value Added”
- “providing an additional contribution to the Exchequer of £36m per annum”
- “generating an additional £37m per annum in UK exports”181

178 ‘Proposed Delisting from the Official List and Admission to AIM Proposed Placing of 2,160,000 new Ordinary Shares at 250 pence per share and Notice of General Meeting’. Pinewood news release. 30 May 2012
180 ‘Pinewood In Negotiations to Advise on £25 Million Media Development Fund’. Pinewood news release. 6 June 2012
181 ‘Pinewood Shepperton plc announces the submission of a new planning application for the expansion of Pinewood Studios’. Public Statement. 1 February 2013
Barton Renewable Energy Plant, Greater Manchester

9.95 Peel currently (and very controversially) plans to build a “Renewable Energy Plant” – a biomass waste incinerator – on the banks of the Manchester Ship Canal in Barton, Greater Manchester.

9.96 Trafford Council refused to grant permission in November 2011 on the grounds of “genuine and significant public concern over the perceived impact on public health” and in March 2012, the Advertising Standards Authority ruled that Peel had misled the public when promoting its proposals. Nevertheless, the Environment Agency granted the incinerator an Environmental Permit and Peel appealed against Trafford Council’s decision, causing the local authority to issue an official statement in June 2012 “deplor[ing] the recent action of Peel Energy in appealing the decision of Trafford Council’s Planning Committee to refuse planning permission for a bio-mass incinerator in Davyhulme. This was a unanimous decision of the planning committee on the grounds of the perceived threat to the health of Trafford residents. The Council demands that Peel Energy reconsiders its decision to appeal the refusal and withdraws their appeal forthwith.”

9.97 Despite this – and despite objections made by neighbouring Salford City Council in the August – Peel pressed on with its appeal, prompting a public inquiry beginning in November 2012. Protesters asked a leading expert on air emissions from biomass power plants to prepare a technical submission for the public hearing. She judged the planned incinerator to be “one of the most dangerous I have seen in terms of potential impacts to human health and general lack of oversight and rigor in permitting”. She also said that potential emissions from the plant “have consistently been underestimated or even actively misrepresented. This means that the Barton facility will present a greater threat to human health and the environment than the EA (Environment Agency) or the developer (Peel Holdings) admits.”

9.98 There has been much public resistance to Peel’s plans. It was reported in December that “not one single organisation or member of the public stood up to support Peel Holdings’ proposals for the Barton Renewable Energy Plant at the public inquiry which ended last week”.

9.99 Two years of wrangling have cost the taxpayer dearly. By effectively forcing a public inquiry Peel has taken up time and money that the struggling local authorities concerned may well have spent elsewhere.

9.100 The inquiry’s findings will be reported in early 2013 and the Secretary of State for Communities and Local Government will make a final decision after that as to whether to grant the requisite operating licence.
Durham Tees Valley Airport, Darlington, County Durham

9.101 Durham Tees Valley Airport, a small regional airport located near Middlesborough in the North East, is just one of the assets that make up Peel's aviation portfolio. It has been described by one industry analyst as a “perennial underachiever” and a possible “basketcase”.

9.102 It began life in the 1940s as an RAF airfield. In 1964, it was purchased by Cleveland County Council and launched as Teeside International Airport. When the County Council was abolished in 1996, its ownership was divided between the local boroughs.

9.103 Peel Airports Ltd bought a 75% stake in the airport in 2002, as a going concern with a London route, and committed to investing £20m in the facility over five years. Improvements did take place but in 2004, the decision to rename (ie: rebrand) the airport caused anger locally. Passenger numbers peaked at almost one million in 2006 then steadily declined. By 2012 they had reached their lowest ever since 1972 – just 164,826.

9.104 As the airport struggled and made increasing losses, Peel sought alternately to meet shortfalls and to off-load its increasing burden. In 2006, for example, the local press revealed that the conglomerate has sought public funding to pay for the new signage made necessary by the airport’s change of name. The application received short shrift. In late 2010, the conglomerate resorted to introducing a “facility fee” requiring passengers to pay – adults £6 and children £2 – simply to use the airport.

9.105 By 2010, the DTVA was not evidently an attractive proposition to potential investors. Nevertheless, Vancouver Airport Services purchased a controlling 65% stake in Peel Airports.

9.106 The following year, in December 2011, Peel Airports put the airport up for sale, sparking fears the airport would close and attracting lots of ‘save our airport’ campaigning from local citizens and politicians. Just months later, in February 2012, the Peel Group essentially bought the airport back, when a new subsidiary – Peel Investments (DTVA) Ltd – acquired a 75% share.

9.107 Losses have continued to mount and Peel has been desperately scouting around for public support and investment. Hopes were raised – to much fanfare – when it devised a bid for Regional Growth Funding. It failed. Note that the investment was sought for a planned freight handling development – this is discussed section 14.

9.108 Peel may still turn DTVA around. It is preparing to bid again in the RGF funding round announced in January 2013.

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182 ‘Peel Holdings to sell airports … to fund purchase of ports company?’ AirportWatch. 8 March 2010
183 ‘Airport asked public to pay for new signs’. Northern Echo. 23 September 2006
184 ‘Passengers charged to use Durham Tees Valley Airport’. BBC News. 15 October 2010
The Trafford Centre is – or at least was – long one of the jewels in Peel’s crown. The 200,000 square metre retail and leisure mecca reportedly caters for some 35 million customers annually. Built in a flamboyant (some would say ostentatious) architectural style allegedly combing Rococo, late Baroque, Art Deco and Egyptian Revival design elements, “[i]t is the people’s palace. It is something to attract shoppers … to give them the Dallas effect.”

John Whittaker acquired the site when he bought the Manchester Ship Canal Company (a controversial purchase) in the mid-1980s. A planning application for a large out-of-town retail development was submitted very soon thereafter and a ten year planning application process ensued – testament, indeed, to Peel’s tenacity and perseverance. Manchester City Council (which until then had had interests in the MSCC) opposed the plans, fearing they would prove damaging to the city centre economy and cause excessive congestion problems on and around the M60 orbital. Councillors also recognised the plans were “obviously in the interests of the shareholders.” The application was subsequently called in by the Environment Secretary of the day. Two public enquiries and much legal wrangling – including in the Court of Appeal – finally saw planning permission reinstated in the House of Lords in 1995. This decade-long saga was reportedly one of the most protracted and complex in the history of UK planning.

With consent finally secured, construction took less than two years to complete and the shopping centre opened to much fanfare in September 1998. Expansions and additions over the years have allowed The Trafford Centre to remain one of the largest ‘mega malls’ in the UK; a beacon of credit-fuelled consumption.

An interesting observation (in light of the current Liverpool Waters application – see section 16) was made in 2011 about the original conception and development of the mall:

“The Trafford Centre is an asset that would have been difficult for CSC [Capital Shopping Centres, who went on to acquire the complex] to build, needing the combination of private wealth, an imagination unfettered by the committee-based decision making of the modern company and a stubbornness to fight for 12 years through planning.”

John Whittaker revealed something of both his nature and his approach to development when interviewed about plans for the Centre and the land and waterways he owns around the mall: “It’s controlling what is around you. No disrespect, but look at Lakeside – Land Securities or anybody can get around it.”

185 ‘Whittaker has more to offer than the rococo’. Financial Times. 11 February 2011
187 ibid
188 ‘Whittaker has more to offer than the rococo’. Financial Times. 11 February 2011
Peel - or more correctly, Tokenhouse Holdings (IoM) Group and Peel Holdings (TTC) Ltd - sold The Trafford Centre for £1.6bn to Capital Shopping Centres (which had a 35% South African shareholder base) in January 2011:

“In January 2011, CSC acquired The Trafford Centre and £67.4 million in cash from the Peel Group in exchange for consideration comprising the issue to the Peel Group of 167.3 million new ordinary shares in CSC and an aggregate nominal amount of £154.3 million 3.75 per cent convertible bonds... Following completion of The Trafford Centre acquisition, and subsequent market purchases of shares in CSC, the Peel Group holds, as at 24 January 2012 (being the latest practicable date prior to publication of this document), 172.4 million ordinary shares in CSC representing 20.0 per cent of current voting rights. If the full aggregate nominal amount of the Convertible Bonds were to be converted into ordinary shares, the Peel Group would hold a total of 211.0 million ordinary shares representing 23.5% of CSC’s then issued share capital.”

The sale concluded a “months-long battle for control of Britain’s biggest shopping centre owner ... between three wealthy families spread across three continents.”

It was also noted that the deal would save Mr Whittaker “about £300m in tax because he is taking payment in CSC shares” and that “Simon Property Group [Peel’s US competitor] has campaigned against the deal, arguing that it allows Whittaker to have a big say in CSC’s future without paying a premium”.

The transaction – reportedly the largest property transaction in British history to that point - took Mr Whittaker onto the Sunday Times Rich List 2012. Peel, with a 20% or so stake in CSC, was soon the largest single shareholder and John Whittaker was made deputy chairman.

In early 2012, CSC proposed to buy two plots of land from the Peel Group – a 30 acre site (King George V Docks West) in Glasgow and two parcels of land totalling around 74 acres at the ‘Trafford Centre Espana’ site in Malaga, Spain. CSC would pay £4.7m for the former and £2.08m for a three year option to develop the latter (along with a £6.25m deposit for an eventual purchase). The plan raised eyebrows – and opposition. The local Liverpool press reported that:

“Two shareholders have been quoted in weekend newspaper reports claiming the deal raises concerns about standards of corporate governance at CSC.”

One of the press reports referred to read:

“The planned acquisition by Trafford Centre owner Capital Shopping Centres of two parcels of land owned by John Whittaker, the founder of Manchester property investment giant Peel Group, faces more opposition from investors. Shareholders – including Mr Whittaker who is CSC’s deputy chairman and controls more than 20% of the group’s shares – will vote on the controversial property deals on Friday. The Sunday Times said investors, including Simon Property Group – which holds 4.1% of the stock, are planning to oppose the acquisition of the land from Peel in Spain and Scotland. The £8.4m Spanish land acquisition which Peel had ear-marked for the development of Trafford Centre Espana – a 860,000 ft leisure and

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189 ‘Proposed Transactions with the Peel Group and Notice of General Meeting’. Letter from the Chairman to Shareholders. Capital Shopping Centres plc. 25 January 2012
190 ‘Sale of Trafford Centre ends battle for control of CSC’. The Guardian. 11 January 2011
192 ‘Revolt over Peel Holdings chairman John Whittaker’s land deals’. Liverpool Daily Post. 13 February 2012
shopping centre complex near Malaga – is seen as the most controversial deal. US-based Simon Property Group – which last year threatened to bid for Capital Shopping Centres around the time of the group’s £1.6bn acquisition of Peel’s Trafford Centre – described the transaction as ‘sweetheart deals’. Another CSC investor, Thames River, has also questioned the deal describing it as ‘negative in the context of corporate governance’. A third group, Henderson Global Investors, say Mr Whittaker should abstain from the vote given the ‘conflicts of interest’. CSC has defended its position, with chief executive David Fischel describing claims of sweetheart deals as ‘nonsense’ and that lawyers had carefully scrutinised the deals to ensure all was well.  

9.119 In the event, shareholders approved the controversial deal and it went ahead as planned.

9.120 As at October 2012, according to one industry site:

“CSC Trafford Centre Group Limited, through its subsidiaries owns and operates The Trafford Centre in Manchester. The company was formerly known as Tokenhouse Holdings Limited. CSC Trafford Centre Group Limited is based in Guernsey, Channel Islands.”

9.121 Though shoppers throughout the North West flock to the ‘mega mall’, the public and/or community perspective on it is not always positive and often deeply cynical. In a blog entitled ‘Trafford Centre Greenwash’ written in mid-2011, for example, one environmentalist wrote archly:

“I was recently sent the event advertisement below with the request that it be publicised via a community group website I run …: “We all know that Greater Manchester really is Great, but can it be a world-record beater? We’ll find out on the weekend of Saturday 4 and Sunday 5 June, when The Trafford Centre joins forces with the Greater Manchester Waste Disposal Authority in an attempt to amass “the largest collection of clothes to recycle”! … Donations of unwanted clothing can be made on the day at the Trafford Centre. Everything will be sorted at the Barnados warehouse depot: clothes fit for resale will be distributed across their stores and anything else will go to the “rag bay” where the textiles are sold off to be recycled. /So, it’s a mass recycling event; what could be wrong with that? Surely it raises awareness of recycling and reduced resource use, and raises money for charity? Well, yes, although I’d question the usefulness of one-off mega-events like this in properly educating people about recycling, which needs to be ingrained as part of normal daily life rather than as part of a glitzy event. Especially when the shiny events take place in a large shopping centre, the marketing team of which is presumably hoping that all those keen recyclers will then decide that it would be nice to pop into the Trafford Centre for a bit of weekend consumerism. But my main gripe is with the fact that Manchester City Council’s Waste & Recycling Team took the trouble to issue a specific request to a community engagement officer that this information be sent out to all of the city’s Community Guardians. And I have a problem with that because this event is essentially a massive piece of greenwash for Peel Holdings, owners of the Trafford Centre. Peel doesn’t just own the grotesque temple to over-consumption which is the Trafford Centre, which is bad enough. The group’s environmental footprint (more like a big-booted stomp) spreads well beyond that, to include vigorous campaigning against attempts to reduce car use and boost public transport in Manchester (see here and here if you don’t have long and painful memories of Manchester’s TIF bid), and a substantial stake and major board influence in UK Coal. Peel also owns coal shipping operations and has put forward plans for at least one new coal-fired power station in the UK. And if that wasn’t enough, the group also has a finger firmly wedged into the aviation pie, owning several regional airports around the UK, the

193 'John Whittaker of Peel Holdings May Have a Revolt on His Hands'. North West Business News. 15 September 2012
bulk of whose clients appear to be the fast-growing budget airlines and domestic flights which are most damaging to the environment. So, forgive me if I'm sceptical when the Trafford Centre starts running high-profile sustainability events, while the rest of the Peel Group is busy trashing the planet.  

9.122 The Capital Shopping Centres Group morphed into Intu Properties in mid-2012 and early 2013 saw the public rebranding of ‘The Intu Group’ and ‘The Intu Trafford Centre’ following a £25 million ‘revamp’ (much of it spent on “digital infrastructure”). John Whittaker maintained his position and is currently listed as Non-Executive Director and Deputy Chairman of the Intu Group Board.

9.123 All of these very different case studies hint at a certain kind of corporate mentality, characterised by:

- An indifference to public opinion and a tokenistic approach to public consultation and due democratic process
- Contempt for local government
- A preparedness to enter into any potentially lucrative sector, regardless of experience
- A cavalier attitude to ‘soft’ (ie: non-commercial) concerns such as public and environmental health
- A similarly cavalier approach to local need and preference
- A readiness to exploit legal loopholes
- A dogged determination, in the face of opposition, to ‘win’
- Corporate ‘combativeness’ – Peel is prepared to fight its corner in the highest courts
- A preparedness to abandon ‘sinking ship’ projects if and when these prove to be unprofitable

9.124 Many would argue, of course, that business is business – that ruthlessness, aggression and a lack of ‘sensitivity’ are prerequisites for success in a fiercely competitive world. Times are changing, however, and – as has been amply demonstrated in recent months and years – irresponsible or unethical practice is no longer tolerated.

195 Trafford Centre Greenwash’. Sarah Irving’s blog (www.sarahirving.co.uk). 23 May 2011
10] Peel and Planning Policy

10.1 Peel – unsurprisingly for a property developer – has most frequently locked horns with local authorities and local communities over planning issues. The Group has also been accused of exploiting existing loopholes in planning law, as outlined in a 2012 briefing entitled “Up to new tricks; bypassing controls on Out-of-Town Retailing”.196

10.2 The Group is always keen, however, to stress its compliance with planning policy. In its press release regarding the Burgess Farm development (see section 9), for example:

“The decision was made in line with National Policy. The Secretary of State took into account the new National Planning Policy Framework which was issued in March of this year. The Secretary of State agreed that there was a shortfall of housing in Salford, and that he believed residential development at Burgess Farm was sustainable and therefore allowed the appeal, granting planning permission subject to conditions.” 197

10.3 Note, too, Peel’s eagerness to point out that it was only responding constructively to Salford’s own plans for the area:

“The council has already identified Burgess Farm in its current core strategy document as a site that can help to deliver this objective and this application will help to fulfil the Council’s aspirations to increase the supply of traditional family housing in Salford.” 198

Peel actually involved itself very proactively in the formulation of Salford’s Core Strategy plan.

10.4 In Liverpool, too, the conglomerate is anxious to highlight the symbiosis between its plans and local and regional planning strategy. In response to the question “Are the proposals for Liverpool Waters in line with adopted planning policy?” Peel PR people have written:

“The majority of the Liverpool Waters site is identified in the adopted Unitary Development Plan for Liverpool (2002) as suitable for mixed use development. Liverpool Waters is also of central importance to the delivery of both the employment and residential development in the emerging Core Strategy. Furthermore reference is made in the Regional Spatial Strategy, the Regional Economic Strategy and the New Growth Points Bid of Liverpool Waters having the capacity and ability of to accommodate substantial employment and residential development opportunities. Representations are being made to the ‘Call for Sites’ which will further integrate the proposals for Liverpool Waters into the emerging LDF.” 199

10.5 In response to the question “What level of planning status are Peel looking for?” they have said:

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197 ‘Peel’s Burgess Farm Plans Approved’. Peel Group press release. 18 July 2012
198 ‘D-day in fight to save ‘last’ Salford Farm’. Manchester Evening News. 28 April 2010
“Peel is seeking outline planning consent Liverpool Waters, with all matters reserved. This approach addresses the balance between achieving statutory support and the key issue of maintaining flexibility.”

Peel knows its planning law – and how best to use it to advantage by first gaining ‘in principle’ consent, then thrashing out the detail once developments are underway and – arguably – past any point of return.

10.6 The conglomerate is likely to be extremely excited by the Government’s raft of planning policy reforms, which collectively amount to a ‘developer’s charter’. Essentially a mass deregulation programme, it is aimed at removing what some would call ‘obstacles’ and others would call ‘checks and balances’ in the system. The aim is to remove “unnecessary bureaucracy” so as to encourage economic growth. Conservative Party grandee Michael Heseltine has stressed the centrality of the reforms in Government thinking:

“Planning policy in particular needs to be responsive to the opportunities and imperatives of new growth.”

Large scale property developers – Peel included - are implicitly key to all of this.

10.7 The “radical reform” of the planning system has been achieved primarily through the Localism Act 2011 and the National Planning Policy Framework (April, 2012).

10.8 Further reforms to planning law were introduced to Parliament in October 2012 in the shape of the Growth and Infrastructure Bill. By making it easier and quicker for businesses and individuals to develop property and land, the objective is that this will help stimulate the construction industry. The main proposals of the Bill are as follows:

- Allowing planning applications to be made direct to the Secretary of State if the LPA (Local Planning Authority) has been “designated” for consistently poor performance (Would be interesting to know what conditions have to be met in order for this to be satisfied)
- Allowing obligations towards affordable housing to be “modified or discharged” in order to make the project economically viable (I don’t recall affordable housing being included in any of the Peel projects we have looked at)
- Allow for changes to the town and village green registration process, in order to prevent certain land being registered as a town or village green if the land is identified for a potential future project.

10.9 Alongside these proposals there have been a series of announcements from the Government focusing on the reform agenda. The first of such appeared in the March 2011 Budget and the accompanying Plan for Growth. Emphasis here was placed upon the need to streamline the planning application and appeals system. The following year (July 2012) the Department for Communities and Local Government announced a consultation would take place, the Government’s response to which was published on 27 December 2012. The Government decided to press ahead with the legislation but with a number of changes designed to limit the local authority’s ability to demand certain information about a planning

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200 Rebalancing Britain: Policy or Slogan? Liverpool City Region - Building on its Strengths: An independent report. The Rt Hon the Lord Heseltine CH and Sir Terry Leahy. October 2011
application. Reducing the power of local authorities has emerged as a common if unacknowledged theme, in the planning reform agenda.

10.10 Proposed to streamline the planning application appeals procedure were made during the Chancellor’s Autumn Statement in November 2011, which committed the Government to review the process in an attempt to “…make the process faster and more transparent, to improve consistency and increase certainty of decision timescales”

10.11 The Government published a Written Ministerial Statement in September 2012 and opened a consultation ‘Technical Review of Planning Appeal Procedures’ a few months later, which again made clear the Government’s commitment to streamlining the appeals process. The consultation closed on 13 December 2012 and the Government’s response is still to be published.

10.12 Whilst the Government has evidently been keen to pursue reform in a number of planning areas, it has yet to announce any proposals to change the protection of the ‘Green Belt’. However, it has said that councils who review green belt land will have proposals for development prioritised. This is clearly designed to encourage local authorities to entertain proposals for development upon green belt land. It is arguably an exercise in buck passing - an attempt to incentivise councils to build upon land that until now has been deemed ‘sacrosanct’ whilst protecting the Government’s green credentials.

10.13 The Government also announced it would be extending permitted development rights (making changes to a building without the need to apply for planning permission) to make it easier for homeowners and businesses to extend their property. However, for certain types of land these new regulations would not apply and this list includes National Parks and World Heritage Sites. These proposals have come in for criticism from the House of Commons Communities and Local Government Select Committee, who found that the Government had failed to take into account the potential environmental and social ramifications and that Government was wrong to justify the changes on solely economic grounds. The business community didn’t agree. In their submission to the consultation, for example, the North East Chamber of Commerce argued that the proposals had the potential to create jobs and more work for the construction sector.

10.14 The Government has issued consultations on a number of other proposals, including possible changes to the reuse of existing buildings orders, the development of nationally significant infrastructure projects and the law in relation to judicial reviews. The consultation deadlines have passed for most of these but responses from the Government have not yet been published.

10.15 The Government’s reform agenda for the planning process can therefore be summarised as follows: The main driving force behind the proposals is the desire for growth and the need for a more efficient, streamlined system. Consequently, a key recommendation throughout is the requirement to remove “unnecessary bureaucracy”, as this not only hinders growth but also extends timeframes when
growth is needed urgently. The negative implications of this, from the point of local democracy, are clear. The removal of ‘red tape’ appears to take the shape of the removal of decision making from the local authorities and the LPA. This only serves to remove local accountability from the process, which appears to be the price to be paid in order to ensure that more projects are given the go ahead more quickly. The implication of all this is that local accountability is a barrier to economic growth and is stalling progress.

10.16 The section of the *Growth and Infrastructure Bill* which gives companies the option of ‘modifying or discharging’ their obligation to provide affordable housing is also a controversial proposal – particularly when it comes to the conditions attached to approval of large, sprawling development projects of the kind Peel is now proposing on Merseyside. Indeed, Peel has demonstrably benefitted from this particular change, as will be discussed in Part 2 of this report.

10.17 There is an inherent contradiction in the Government's position on planning. The Coalition Agreement (May 2010) stated that the Government would “…return decision-making powers on housing and planning to local councils” and the Government has made a point of emphasising its desire to hand back much of the decision making process to the local community. Yet its actions have belied its words, with a clear shift towards taking powers away from local authorities and planning committees. Providing mechanisms by which local authorities can be bypassed or simply removed from the process flies in the face of localism.

10.18 There is little point in hypothesising about the past but clearly, had some of these changes been in place at the time, many of the developments and outcomes described in the preceding section would have been very different.

10.19 What is clear is that Peel is set to gain considerably from the Government’s relaxation of planning restrictions. As one arch critic of The Group’s activities in Salford put it:

“After the Planning Inspector basically told Salford Council to tear up its Core Strategy which protected much of the city’s green belt and Greenfield sites and armed with ConDem government’s free for all National Planning Policy Framework, developers are literally having a field day.”

10.20 Peel has acknowledged as much in its corporate reporting:

“The planning system has moved to a much more positive place with the introduction of the National Planning Policy Framework. Peel contributed to the government’s initiative to bring a positive attitude to the system and is pleased to see a document which has a presumption in favour of development embodied within it. The planning system has a fundamental role to play in the economic recovery for the country and we welcome this move.”

201 ’Peel Holdings Worsley Plans Slammed by Salford Residents’. Salford Star. 5 February 2013
202 Peel Holdings (Land and Property) Limited: Annual Report and Financial Statements for the Year ended 31 March 2012
PART 2

Peel and the Liverpool City Region
11] Interests across Greater Merseyside

11.1 As Peel sought to acquire the Mersey Docks and Harbour Company in 2005, one City observer explained the conglomerate's determination to succeed:

"Whittaker regards infrastructure in the north-west as his turf and he's blowed if he's going to let some pointy-headed venture capitalists in."\footnote{203}

There does appear to be something vaguely proprietorial about the conglomerate's 'infiltration' of the region.

11.2 In fact, although the ubiquitous Peel appears to have been 'around' for ever on Merseyside, this is quite illusory - its 'rise and rise' in the sub-region has actually been very recent and remarkably rapid. The conglomerate's acquisition of the Manchester Ship Canal gave it 'incidental' interests on Merseyside from 1987 but Peel only began to make serious strategic inroads into the sub-region when it bought up and revived a struggling Liverpool Airport in 1997.

11.3 Ownership of this key piece of infrastructure naturally gave the conglomerate kudos and its regeneration and reinvention of the facility drew praise (although taxpayer-supplied EU Objective One monies played a critical role in said regeneration). Peel's relationship with the airport is detailed in section 14.

11.4 It was only in 2005, however, when the (newly re-privatised) conglomerate acquired the Mersey Docks and Harbour Company - realising a long-held ambition on the part of John Whittaker - that it secured a virtual monopoly on the entire dock estate along the banks of the River Mersey. Peel's involvement with the Liverpool and Wirral waterfronts is thus less than eight years old.

11.5 During the past few years, Peel's focus on Merseyside has been upon its 'Peel Waters' project, comprising the Port of Liverpool generally, Wirral Waters on one side of the Mersey and Liverpool Waters on the other. Peel Waters - the overarching parent project - is marketed as a long-term, £10bn regeneration scheme that will "provide an opportunity to transform the under-utilised docks on both sides of the River Mersey, thereby providing an important catalyst for urban renewal in the North West Region." It is essentially an exceedingly ambitious grand 'master plan' for the development of the Liverpool Waterfront. The current Government approves – in 2011, it awarded Enterprise Zone status to the catchment area (confusingly calling it Mersey Waters). Peel has been quick to capitalise upon this for branding purposes: it publishes a website entitled 'Mersey Waters' but the website address is www.peelez.co.uk.

11.6 The Peel Waters scheme comes, in turn, under the umbrella of an even wider scheme – the Ocean Gateway – which serves to brand and market all of Peel’s ventures from Liverpool and Wirral to Manchester, along the Manchester Ship Canal. It is clearly an attempt to consolidate most of Peel's interests along the MSC corridor.

\footnote{203} ‘Whittaker closes in on Mersey Docks’. The Telegraph. 3 February 2005
11.7 Many of Peel’s other holdings, projects and developments in the city region are relatively small scale in comparison to its waterways über-schemes. The conglomerate remains, amongst other things, a landlord and it uses its assets, large or small, to bring in income and rent. Its Merseyside ‘office portfolio’, for example, includes the Princes Dock in Liverpool, the Office Building in Speke, Tower Quays Business Centre in Birkenhead, Twelve Quays in Wallasey and Woodside Business Park in Birkenhead. Its ‘industrial portfolio’ includes West Float Industrial Estate, Uveco Business Centre and Britannia House in Wallasey and Runcorn Dock Estate in Halton. Peel advertises that it has ‘land’ for rent or sale in the Speke and Garston Coastal Reserve and a ‘residential-led’ (ie: housing) project in Runcorn in Halton. These are the interests listed on The Peel Group website but there are many assets that are not publicly promoted – indeed, the conglomerate encourages potential clients to get in touch to learn more, suggesting that far broader portfolios exist.

11.8 The conglomerate lists a wide range of sites (totalling some 746 acres and extending beyond Merseyside) in its Mersey Ports Master Plan: Seaforth River Terminal, Seaforth Area B, Hornby/Alexandra Dock, LIFT Zone Phase 2, Regent Road/Derby Road, N3 Canada, Huskisson Dock Complex, Twelve Quays, Beaufort Road, Former Mobil Site, Cammell Laird, Land at QEIi Dock, Port Wirral, Former Bridgewater Paper Mill, Port Ince, Wigg Wharf, Port Warrington Phase 1, Port Warrington Phase 2, Irlam Container Terminal, Port Salford. It identifies a further 105 acres it would like to acquire.

11.9 Peel’s key interests on Merseyside are therefore mainly concentrated near and around the areas covered by Wirral Waters and Liverpool Waters. The simplicity of the labelling (ie: branding) belies the reality. These projects concern some 650 acres204 of prime ‘real estate’, the future development and use of which will arguably be crucial to the success or failure of sub-regional regeneration and growth over the coming decades. That is why Peel’s Liverpool City Region interests are so important – and why cynics are inclined to suggest the city may as well be renamed “Liverpool” and have done with it.

11.10 It is impossible to estimate the total amount of land Peel owns across the city-region; too much remains unknown and unknowable to the general public. It is worth noting that the Wirral Waters development alone is set to cover an area larger than the entire site of the Olympics in East London.

11.11 Given the immense scale of the Peel Waters scheme, it would be reasonable to assume that Peel’s main power and financial bases are located there – or at least that the conglomerate plans to relocate there. A number of Peel’s operational and holding companies are of course registered in Liverpool, either on the dock estate or at Liverpool Airport, as appropriate. But these are all subsidiary to parent companies based at the Trafford Centre in Manchester, which in turn – as has been shown – are subsidiary to off-shore concerns. In short, whilst Peel has assets and operational bases in the sub-region, major decision-making and financial business takes place elsewhere.

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204 Peel Waters website: Liverpool Waters and Wirral Waters. [www.peel.co.uk](http://www.peel.co.uk). Accessed 17 January 2013
It would be churlish to suggest that John Whittaker, as Peel's 'king-pin', has no 'interest' in the Liverpool City Region. But the reality is, he has no apparent personal links or ties with the sub-region – those lie in Lancashire and Greater Manchester. He does not live – and never has lived – on Merseyside; he chose long ago to exile himself to the Isle of Man. He is quite entitled to do so – but "landlord absenteeism" of this kind *does* raise questions about motivation. It has also long (ie: historically) been the bane of local communities. On the basis of all this, it is reasonable to conclude that Mr Whittaker's interests are solely and decidedly commercial.

Peel's standard way as clearly been to build up sectoral standing and influence via major flagship development projects – retail via the Trafford Centre scheme, aviation via Liverpool Airport, media via MediaCityUK and Pinewood Shepperton. Peel Waters would appear to follow this pattern – port interests via the Merseyside Dock Estate. Geographic location appears, in this respect, to be secondary or incidental, as does 'mixed use' infrastructure development. Peel goes where the opportunities arise. But experience has also shown that appearances can be deceptive and that big projects can sometimes be used as a springboard for quite an alternative agenda.

The North West – Merseyside in particular - is relatively 'poor' (likewise the North East, where Peel has other significant holdings), thanks to regional economic imbalances. Land and property prices are subsequently cheaper, as are business costs. Peel has 'branched out' in recent years into other areas of the country but its 'bread and butter' continues to be earned, and its reputation to be built, on Merseyside and in Greater Manchester.

For all of these reasons, cynicism about Peel's effusive, allegedly altruistic 'commitment' to the city region is natural. It is a relative newcomer to the area. As was demonstrated in Part One, the conglomerate does not have a tradition of largesse or socially responsible development, no matter how hard it tries to cultivate this impression. It is quite legitimate to wonder why, as a private sector conglomerate driven by the profit motive, Peel's focus is firmly upon the sub-region.
Peel and the Liverpool City Region Boroughs

12.1 The Liverpool City Region comprises the boroughs of Halton, Knowsley, Liverpool, Sefton, St Helens and Wirral. Peel’s ‘tentacles’ – some considerable – reach into every one of them, often in ways that are not always apparent to the ‘lay’ observer.

12.2 Consider Halton, by way of an example. In a submission to the local authority in 2012, Peel advised that:

“The Peel Group of Companies is a significant stakeholder in Halton. It has extensive land and business interests within the Borough and is a significant investor in the local economy. Its ownership includes the Runcorn Waterfront site which it is bringing forward for large scale mixed use regeneration as well as potential development land west of Ramsbrook Lane in Hale, and Preston Brook. The Peel Group, with its partner RREEF, is also the owner and operator of the Manchester Ship Canal, a significant commercial waterway which passes through the Borough and is a significant commercial waterway and part of the Mersey Ports. The Group also owns and operates the Bridgewater Canal system which is a valuable recreational waterway which passes through the Borough and forms an important component of the East Runcorn proposed Key Area of Change. With its partner, Vancouver Airport Services Limited, Peel owns Liverpool John Lennon Airport part of which, including significant airfield infrastructure and safety equipment is located within the Borough, and is a key economic driver within the region including Halton. Peel has significant interests in the South Liverpool International Gateway which is adjacent to Halton’s boundary and has also pioneered the Atlantic Gateway concept which is a strategy to regenerate the corridor which links Manchester and Liverpool and includes significant investment plans in Halton.”

Whilst some of this is a little overstated, Peel’s description does fairly accurately summarise its interests in this one district alone.

12.3 The Halton Development Partnership Limited is a company incorporated in June 1995, its business the “development and selling of real estate”. The Peel Dome at the Trafford Centre in Manchester is its registered and trading address. The company has nine employees and its book value at 31 March 2012 was £844,716 (down 22% on the previous year). The company has two shareholders - 70% is owned by Peel Property (Partnerships) Ltd and 30% by Halton Borough council. The Board of Directors comprises: Edmund Burrows, Lindsey Ashworth, John Whittaker, Paul Wainscott, Peter Hosker, Roger Wheeldon, Neil Lees, Cllr Robert Polhill (the leader of Halton Borough Council, who also sits in that capacity on the Liverpool City Region Local Enterprise Partnership board) and Cllr Michael Wharton (the deputy leader of Halton Borough Council).

12.4 Peel Property (Partnerships) Ltd begins a chain of 100% ownership as follows (→ denoting “is owned by”): Peel Property (Partnerships) Ltd → Peel Investments (UK) Ltd → Peel Land and Property Ltd → Peel Holdings (Land and Property) Ltd → Peel Holdings Land and Property (UK) → Peel Holdings Ltd. All of these companies are registered at the Peel Dome in Manchester other than the ultimate ‘parent’, Peel Holdings Limited, which is registered in the Isle of Man. All are ‘in the black’ in terms of book value – except for the company that is part owned by the local authority.

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205 Hearing Statement: Halton Core Strategy Examination. Submission by Peel Holdings (Management) Ltd. Undated
A survey of Peel’s ‘holdings’ across the sub-region threw up the following (by no means exhaustive) range of interests and assets:

12.3 Peel owns Liverpool Docks (from Nelson Dock at the northern end of Liverpool Waters to Princes Dock at the southern end). It is currently seeking outline planning consent to convert 150 acres of these Liverpool docklands into a ‘commercial, retail, cultural and leisure development’ – namely, Liverpool Waters (see section 16). Peel also owns Princes Dock Offices No. 8 and No. 12 – both 5 storey office buildings near the waterfront in Liverpool – and a 760 space multi storey car parking facility at Princes Dock.

12.4 Peel’s key asset in Wirral is the Wirral Waters site, which covers 500 acres of the Birkenhead docklands. Planning permission has been granted for both main parts of the development, Peel International Trade Centre and the East Float scheme. These, Peel contends, will together offer ‘a mixture of commercial, retail, cultural and leisure development’ in the future – all sectors in which, as mentioned, Peel has significant business interests. Peel also owns office units at Tower Quays Business Centre, Birkenhead and industrial units at Woodside Business Park, Birkenhead.

12.5 As indicated in 12.2 above, in Halton Peel owns the Runcorn Waterfront site - which it intends to bring forward for “large scale mixed use regeneration” in housing, commercial and industrial sectors and some “potential development” land west of Ramsbrook Lane in Hale and at Preston Brook. Peel also part owns and operates the Manchester Ship Canal, and fully owns and operates the Bridgewater Canal system, both of which pass through the borough. Part of Liverpool John Lennon Airport - in which Peel owns a minority share - is also situated within the borough; according to Peel, this includes “significant airfield infrastructure and safety equipment”.

12.6 Peel maintains links with Knowsley, largely through its minority share in Liverpool John Lennon Airport, which it retained when it sold 65% of Peel Airports Limited to Vancouver Airport Services in June 2010. Peel also owns at least one office building off Speke Hall Avenue in Speke.

12.7 In Sefton, Peel Ports Group owns the Port of Liverpool at Seaforth, part of which is to be developed into ‘Liverpool 2’, a new £300m deep-water container terminal located in the River Mersey, designed to avoid the size restrictions of the current container
Liverpool 2 is part of Peel’s ‘Mersey Ports Master Plan’ – a vision which will, according to Peel, take 20 years to realise in Sefton and which includes ‘future developments at the Port of Liverpool and on the Manchester Ship Canal’ such as “the erection of a biomass power plant at the Hornby/Langton Docks; [the re-use of] an area at Canada Dock for open storage or warehousing; the proposed use of the Seaforth nature reserve for port-related purposes; [and] the possible acquisition of land on the Regent Road/Derby Road corridor.”

According to the conglomerate’s submission to St Helens Core Strategy hearing, ‘Peel Investments (North) Limited…has land and business interests within the Borough’. These are difficult to identify. The company showed an interest in Haydock Park between 2000 and 2004 and made a number of unsuccessful planning applications to convert Haydock Park Farm into office accommodation. They eventually gained permission in November 2004 but sold the farm in 2008 (retaining ownership of the site’s access road). According to the purchasers: “It is understood that the site has been difficult to market as an office facility due to the conversion costs to make Haydock Farm fit for purpose and the range of alternative employment land opportunities available in the St Helens area.” The register of declarations that have been lodged and maps and statements that have been deposited under section 31(6) of the 1980 Highways Act on the St Helens Borough Council website indicates that Peel Investments (North) Limited retains land in the Haydock Park & Old Boston area. In addition, a document produced for Peel Investments North Limited by Vectos Transport Planning Specialists on ‘Potential B8 Employment Development’ in St Helens provides details of a considerable amount of land owned by Peel around Junction 23 of the M6 as of February 2012.

Even where Peel’s asset ownership appears relatively trifling in the wider scheme of things, the Group has taken pains, in recent years, to be actively involved in strategic development at every opportunity, always solicitous to point out – not incorrectly – how its interests affect adjoining boroughs. The Group’s motivation is clear: “The Peel group continues to play an active role in the formation of national and local planning policy. Our engagements in Core Strategy plan preparation across the country has produced a number of positive results enhancing the future development prospects of some significant sites within our portfolio.”

In short, Peel has a strategic territorial finger in every City Region ‘pie’.

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216 Port of Liverpool’s £300 million giant dock project set to get underway. Mersey Maritime news release. 18 October 2012
217 Ibid
218 Seaforth Docks £500m super port plans revealed in Mersey ports master plan’. Liverpool Daily Post. 18 August 2011
219 Peel Investments (North) Limited Statement, St Helens Core Strategy Hearing. Undated
220 Haydock Park Farm Planning Statement. 27 August 2008
223 Peel Holdings (Land & Property) Ltd: Annual Report & Financial Statements for Year ended 31 March 2012
12.11  The Group uses its land and property ownership to take part – as a legitimate ‘stakeholder’ – in discussions about a borough’s strategic development and direction. Peel involves itself very proactively in such exercises, at every level of discussion:

“I write on behalf of Peel Airports Limited (PAL) in relation to the Knowsley Core Strategy Preferred Options Report…Comments on the Issues and Options Report were submitted on 20 January 2010 by my colleague Stephen Gaines… PAL welcomes the support given within the Core Strategy to the Liverpool SuperPort concept and the references made to the importance of both the Airport and Liverpool’s Ports (for example: paragraphs 2.5, Key Issues and Opportunities 3 & 5 and Preferred Option CS7). Peel and PAL would welcome the opportunity of further discussions with the Council in respect of the evolving Core Strategy, the expansion of Liverpool John Lennon Airport and the delivery of the Eastern Access Transport Corridor.”

12.12  The issue surely is, however: when does one ‘stakeholder’ amongst many become so key and so authoritative that it speaks as one with a local authority? One of the consultation documents produced for Wirral Metropolitan Borough’s core strategy planning in 2011 was an “Integrated Regeneration Study for Birkenhead and Wirral Waters”. It is clear from this document (indeed, from its very title) that the local authority had essentially used Peel’s plans for the area as an ‘off-the-peg’ solution; an alternative to proper thinking and forward planning. This was arguably tantamount to the local council saying “You decide what’s best for the Wirral waterfront and we’ll adopt it as our strategic plan”. Wirral Council commissioned property consultants GVA (Grimley) to produce the study, who list Peel Holdings plc as one “of our clients in the North West”.

12.13  All of the cumulative process described above, whereby ‘critical mass’ is built up through the acquisition of strategic holdings here and there, is reminiscent of the allegations surrounding Peel’s approach when faced with inconvenient planning obstacles (ie: the use – and alleged abuse - of minor planning permissions to build up a case to challenge major planning refusals). The phenomenon is called, in other contexts, ‘mission creep’.

12.14  Such ‘mission creep’ is achieved entirely legitimately. Indeed, it is recognised and accepted in some quarters as simply ‘how business works’. Many would admire the way in which The Peel Group has systematically ‘bought up’ swathes of prime Merseyside real estate. But is it appropriate and desirable in a sub-region that has no overarching formal governance - and the de facto governance of which is presided over by a ‘Peel’ man (see next section)?

12.15  As far as can be ascertained via a rudimentary scan of data published by Liverpool local authority, in the twelve months from January to December 2012 three Peel companies - Peel Electricity Services Ltd, Peel Land and Property Ltd and Peel Leisure (Properties) Ltd - received eleven payments in total from Liverpool City

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224  Peel Airports Limited: Submission to Knowsley Core Strategy Preferred Options Consultation. 5 September 2011
226  Liverpool City Council website: Payments of invoices to vendors over £500’. Accessed February 2013
Council, totalling £41,354.68. They covered ‘rent’, ‘regeneration and employment’, ‘rechargeable works’ and ‘general lending’ – but mostly ‘rent’.

12.16 Payments made in 2012 by Liverpool City Council (LCC) to the Mersey Docks and Harbour Company Ltd were as follows:

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<td>30/10</td>
<td>Regen &amp; Emplo</td>
<td>2378.31</td>
<td>Electricity (General)</td>
</tr>
<tr>
<td>30/10</td>
<td>Regen &amp; Emplo</td>
<td>8399.00</td>
<td>Non Employ Prof Fees</td>
</tr>
<tr>
<td>11/12</td>
<td>Regen &amp; Emplo</td>
<td>29550.01</td>
<td>Non Employ Prof Fees</td>
</tr>
</tbody>
</table>

Total (January – December 2012) 150616.00

Source: Liverpool City Council Monthly Expenditure Reports. Liverpool City Council Website.

12.17 Note that the two largest single payments were for “professional fees”. Why, it might be asked, did the local authority pay Peel over £80,000 in what appear to be consultancy fees? What, moreover, were the “Promotions” payments for? The amounts of money paid out may seem trifling in the wider scheme of things – but surely it is the principle that matters?

12.18 Payments made in 2012 by Halton Borough Council to Peel Group companies were as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Recipient</th>
<th>Amount (£)</th>
<th>Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>Peel Ports Land &amp; Property Investments</td>
<td>720.00</td>
<td>Property &amp; Estate Management – Housing</td>
</tr>
<tr>
<td>April</td>
<td>Peel Ports Land &amp; Property Investments</td>
<td>560.02</td>
<td>Property &amp; Estate Management – Housing</td>
</tr>
<tr>
<td>June</td>
<td>Peel Ports Land &amp; Property Investments</td>
<td>720.00</td>
<td>Property &amp; Estate Management – Housing</td>
</tr>
<tr>
<td>July</td>
<td>Peel Land &amp; Property Ports Ltd</td>
<td>1370.23</td>
<td>National Non-Domestic Rates (NNDR) Refunds</td>
</tr>
<tr>
<td>July</td>
<td>Peel Investments (North) Ltd</td>
<td>1370.23</td>
<td>National Non-Domestic Rates (NNDR) Refunds</td>
</tr>
<tr>
<td>July</td>
<td>Peel Investments (North) Ltd</td>
<td>1370.23</td>
<td>National Non-Domestic Rates (NNDR) Refunds</td>
</tr>
</tbody>
</table>


12.18 Payments made in 2012 by Wirral Borough Council to Peel Group companies (namely, The Mersey Docks and Harbour Company) were as follows:
<table>
<thead>
<tr>
<th>Date</th>
<th>Recipient</th>
<th>Amount (£)</th>
<th>Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>13/04</td>
<td>Mersey Docks and Harbour Company</td>
<td>547.71</td>
<td>Technical Services – Electricity</td>
</tr>
<tr>
<td>13/04</td>
<td>Mersey Docks and Harbour Company</td>
<td>1563.81</td>
<td>Technical Services – Electricity</td>
</tr>
<tr>
<td>June</td>
<td>Mersey Docks and Harbour Company</td>
<td>734.90</td>
<td>Technical Services – Electricity</td>
</tr>
<tr>
<td>July</td>
<td>Mersey Docks and Harbour Company</td>
<td>772.30</td>
<td>Technical Services – Electricity</td>
</tr>
<tr>
<td>July</td>
<td>Mersey Docks and Harbour Company</td>
<td>1107.8</td>
<td>Technical Services – Electricity</td>
</tr>
</tbody>
</table>


12.19 No payments to Peel companies were listed by the other three LCR councils during 2012.

12.20 The transactions listed above were all payments made in lieu of facilities or services. We were unable to locate information relating to any public grants or subsidies that may have been issued to Peel by the local authorities – they do not publish such information as a matter of course and ring-fenced or project-based funding may well make its way only indirectly to private sector recipients.
Liverpeel? Power and Influence

13.1 Peel has risen rapidly in status on Merseyside. In a little over fifteen years, it has come to be regarded as a ‘major player’ with a seat at every important table. In recent years, Peel executives have worked ‘cheek by jowl’ with Liverpool Council, Liverpool Vision and The Mersey Partnership (now rebranded as the Liverpool City Region Local Enterprise Partnership), watched over and generously supported by the now-defunct North West Regional Development Agency. A power network has evolved, involving a relatively small core of individuals sitting around revolving board tables – none of whom, with the exception of the leader (now mayor) of Liverpool Council and the other council leaders – enjoys any public mandate.

13.2 Much of Peel’s burgeoning status has had to do with effective marketing and spin. The conglomerate can and does secure political and press attention when it so desires but is suitably equipped, via its PR and communications operations and thanks to its private sector status, to avoid scrutiny when it chooses. This allows it to cultivate and control a very powerful image which has clearly been bought into by movers and shakers across the sub-region and in Westminster.

13.3 Most of the current crop of politicians, regardless of political persuasion, see Peel as ‘good for the economy’ and therefore ‘good’ per se. The current, laissez-faire, free market orientated Government is naturally on side. The Secretary of State for Communities and Local Government waved through Peel’s Wirral and Liverpool Waters applications (see sections 15 and 16) without fuss – he saw no need for public inquiries. The Government’s decision to award Peel Waters Enterprise Zone status, with all the attendant commercial advantages, said much. And although there is no record of the Prime Minister commenting publicly upon the conglomerate and its plans, his visit to the Wirral Waters site in January 2011 clearly served to endorse the project and to boost Peel’s credibility and profile.

13.4 John Whittaker has friends in high places in his place of domicile on the Isle of Man, as revealed by a question put to the Minister for the Isle of Man Treasury by a Member of the House of Keys in October 2012:

“That the question was put suggests, perhaps, some political disquiet, locally, over the relationship between Mr Whittaker and the Isle of Man Government.”
13.5 Mr Whittaker has seemingly used his elevated position to act as ‘facilitator’ between political leaders on the island and in Liverpool. A newspaper article in late 2012, flagging up the idea of the Isle of Man potentially becoming “a tax-neutral base for the importation of Chinese goods into the UK and Europe” read:

“He [IOM Chief Minister Allan Bell] said he had ‘productive and practical discussion with Joe Anderson, Mayor of Liverpool, and Sir Richard Leese, leader of Manchester City Council, on how links between the island and political and business communities in the North West region could be strengthened. /Mr Bell told the Examiner he believed that engagement with the North West has been one area the Manx government has neglected in the past and we could build on the links we have with significant investors in the North West like John Whittaker… /Peel Holdings have plans to develop Liverpool docks as a strong competitor to the South Coast docks, with Liverpool becoming the hub for the importation of Chinese goods. That could mean the island getting administrative benefits’. /He said the leaders of both Liverpool and Manchester City Councils were ‘very keen’ to explore this further.”

13.6 Conservative Party grandee Michael Heseltine acknowledged and signalled his approval of the reliance of the sub-region upon the conglomerate, in his 2011 masterplan for the Liverpool City Region Economy:

“Public bodies and national agencies across the Atlantic Gateway region should be flexible and supportive in helping bring vital new investments by Peel and other companies to swift fruition.”

[It was rather odd that Lord Heseltine alluded to fast results, given that the Peel Waters scheme is not designed to come to “fruition” for up to fifty years.]

13.7 Lord Heseltine also said:

“There are many companies investing in and supporting the long-term growth of the Liverpool regional economy, but of particular significance to the next wave of development will be Peel Holdings. They have invested in strategic infrastructure, for example investing £100m in moving Liverpool Airport from one handling half a million passengers a year to one handling over five million people a year. Their investments will be critical.”

13.8 And he indicated that planning policy ought to be geared to suit the ambitions of developers like Peel:

“Planning policy in particular needs to be responsive to the opportunities and imperatives of new growth.”

13.9 Liverpool City Region Members of Parliament have not, in general, been very vocal in their views on Peel and its plans. Those who have expressed an opinion, however, appear to have bought into the promises of jobs and growth and thus to be highly and unconditionally supportive, irrespective of party persuasion.

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227 ‘Bell: How island can help Britain’. The Isle of Man Examiner. 10 October 2012
229 ibid
230 ibid
13.10 All four Wirral MPs, for example - Frank Field, Esther McVey, Angela Eagle and Alison McGovern - wrote letters of support for Wirral Waters. Two effusively backed Peel’s promises. Frank Field reportedly said:

“The whole council has made I believe a correct decision in backing Peel to develop along the lines of Wirral Waters. The Peel ITC is the first step in achieving the dream that was outlined in Wirral Waters.”

13.11 Esther McVey has endorsed the Wirral Waters project on a number of occasions, in Parliament and in public, and is quoted by Peel as saying:

“I am delighted to give my wholehearted support to the International Trade Centre proposals, this development links the creation of jobs, many for local people to the bringing in of overseas businesses to Wirral particularly from China, a process that is supported by the Government. The Governments (David Cameron) visits to Beijing and the granting of Enterprise Zone status for Wirral Waters and the Peel ITC site are all part of making this project a huge success.”

13.12 Liverpool MPs Maria Eagle and Louise Ellman have been lobbied by Peel in their respective capacities as Shadow Transport Minister and Chair of the Commons Select Committee for Transport (for example in early 2012, when Peel sought their help over Durham Tees Valley Airport). On local issues, Louise Ellman has expressed herself to be ‘on side’:

“We need to develop the port and highlight its importance to the city region. The port is one of our biggest strengths. There should be greater promotion of Peel Ports’ proposed Post-Panamax berth at Seaforth. This is a very positive project which [will] benefit the city enormously.”

and:

“The proposed investment of Liverpool Waters is Liverpool’s biggest opportunity. It offers thousands of jobs and billions of pounds in investment … It is vital that the investment goes ahead – it is vital for the whole city. At a time of cutbacks, this investment must be seen as the priority.”

and:

“I am clear that Liverpool cannot afford to turn away this kind of investment.”

13.13 John Pugh, the MP for Southport, publicly supported the plan to expand Liverpool John Lennon Airport back in 2002 but has said nothing of note about Peel since. Luciana Berger, the Member for Liverpool Wavertree, was quoted briefly by the BBC in February 2011, suggested that Peel had satisfactory dealt with Unesco’s concerns (thereby implicitly suggesting she had faith in the conglomerate).

231 ‘Peel Gets Go-Ahead for International Trade Centre’. Peel ITC press release. 21 September 2011
232 ibid
233 ‘Labour candidate backs High Speed Rail link’. Crosby Herald. 22 April 2010
234 ‘Riverside MP Louise Ellman intervenes in heritage row over Liverpool Waters’. Liverpool Daily Post. 26 October 2011
235 Interview on local economic growth broadcast by Bay TV Liverpool. 26 September 2012
236 ‘Mersey MP backs plans to expand city’s airport’. Liverpool Echo. 24 September 2002
13.14 Bootle MP Joe Benton, speaking about the Liverpool2 project, expressed conditional approval in late 2012:

“As a former shipping man it’ll be great to see this make us a gateway to the Atlantic again and the new jobs it will create. However, this can’t be at any cost, especially to the environment and Peel is being co-operative. Our roads are already overworked and the traffic volume will obviously increase. Yet there are two rail routes which could be revived and would greatly ease the road problem.” 237

13.15 Only one sitting LCR MP has expressed reservations about Peel. In February 2011, Graham Evans MP, Conservative MP for Weaver Vale (part of which is located in Halton) used a debate on onshore wind energy, to protest about Peel Energy and its plans to construct a wind farm at Frodsham Marshes. 238 He described the evidence of need supplied by “the applicant” (ie: Peel Energy) as “generic and ambiguous”.

13.16 The remaining LCR MPs have had little to say on the subject of Peel. If they have strong views, they have not chosen to share them. This seems quite remarkable, given the nature and extent of the conglomerate’s plans for the sub-region.

13.17 Peel has cultivated particularly strong links with successive lead- erships of Wirral, Liverpool and Halton councils, not least through and because of their respective Peel Waters schemes, in the case of the former two. The leaders of the three remaining councils have been far more reserved about their views on Peel – though this may merely be because they haven’t been courted quite as assiduously as have their counterparts.

13.18 In 2008, the then Liverpool City Council leader Warren Bradley told a property conference:

“I am going out next week with Peel to Shanghai as we did last year … We are working continually with Peel to deliver Liverpool Waters.”

The scheme was, he said: “the type of development Liverpool needs to establish its pace as an international city” 239

13.19 A 2010 Wirral Council press release typified the growing mutual admiration between the public and private sector parties:

“Leader of Liverpool Council, Cllr Joe Anderson today met with Cllr Jeff Green, Leader of Wirral Council along with Peel Holdings’ Development Director Lindsey Ashworth to give the £4.5billion Wirral Waters project Liverpool’s seal of approval. Wirral Waters is an 18 million sq ft regeneration scheme – the biggest of its type anywhere in the UK – and will transform the economic fortunes of Birkenhead and Wallasey, as well as Wirral and the broader Liverpool City Region. /Cllr Joe Anderson, Leader of Liverpool Council said: ‘I am very happy to support Wirral Waters and I hope that this augurs well for closer working on major economic issues throughout the city region. /’The regeneration effects of Liverpool Waters, 237 ‘300m Liverpool 2 container terminal given go-ahead’. Liverpool Echo. 15 December 2012
239 ‘£300 million tower planned for Liverpool’. Liverpool Daily Post. 27 July 2007
together with Wirral Waters, will be felt across the whole of the City Region and I am delighted to be able to back Wirral Waters.’ /The scheme will see iconic landmark buildings constructed along the waterfront opposite Liverpool, offering a stunning counterpoint to the city’s world-famous Three Graces. /Cllr Jeff Green, Leader of Wirral Council said: “The Wirral Waters project is really important, not just for Wirral but also the wider economy. Attracting new employers and creating jobs is a key priority for Wirral and Liverpool and I’d like to thank Councillor Anderson for visiting us today and for giving his support to the project.” /Birkenhead docks comprise more than 500 acres within which Wirral Waters represents a £4.5 billion investment, creating tens of thousands of jobs during construction (which will span some 30 years), and approximately 27,000 jobs when complete. /Lindsey Ashworth, Development Director for Peel added: “This demonstrates at long last that the local authorities at the western end of the Northwest genuinely care about moving the region forward as a whole. For the two new leaders to step up to the mark and show mutual support for Peel’s schemes on opposite sides of the River Mersey, Wirral Waters and Liverpool Waters, is fantastic news for everybody.”

13.20 In early 2011, Cllr Jeff Green waxed lyrical again, following Prime Minister David Cameron’s visit to the Wirral Waters site:

“This is the most important regeneration project in Wirral's history and I am extremely pleased that the Prime Minister and Lord Heseltine recognise the significance of what is being achieved here through strong partnership working between Peel and the Council. “Wirral Waters is an excellent example of localism in action. The Council worked very hard to bring it to fruition and it was strongly supported by the local community and businesses. I am delighted that the government showed their trust in local decision-making by giving this project the green light. To have the Prime Minister’s endorsement for this development is fantastic news for the people of Wirral. We will now work even harder with Peel to market the site and realise the benefits and opportunities of the scheme. I truly believe that Wirral Waters is a once in a lifetime opportunity which will make a dramatic contribution to transforming the area’s economy and the lives of the people of Wirral and the wider city region.”

13.21 It is worth noting that all three political party leaders on Wirral Council – Labour, Conservative and Liberal Democrat – flew out to China in May 2012 to witness the signing of a ‘joint venture agreement’ between Peel Holdings and Sam Wah Minerals (as it was initially referred to - see section 15). In February 2013, Cllr Green’s successor reinforced Wirral Council’s links with (and dependence upon) the conglomerate:

“Phil Davies said the authority has an ‘excellent partnership’ with Peel and Wirral Waters is a huge opportunity for the borough.”

13.23 Liverpool’s mayor Joe Anderson has been steadfastly and effusively supportive of Peel’s aspirations:

“Liverpool Waters in a hugely ambitious and exciting scheme which has the potential to bring about the transformation of an area which has been in need of regeneration for decades. The

240 ‘Liverpool Council Leader backs £4.5billion Wirral Waters Scheme’. Wirral Council media release. 29 July 2010
241 ‘PM David Cameron visits Wirral Waters Site’. Peel Group press release. 6 January 2011
242 ‘Wirral council leaders head to China for signing of International Trade Centre deal’. Liverpool Echo. 22 May 2012
243 ‘Major firms linked to car plant plan to create 1000 jobs’. Liverpool Echo. 16 February 2013
scale of the project is breathtaking and it will benefit generations to come. We, along with other agencies, have working with Peel to help shape this scheme.  

13.24 It has been widely remarked that that the elected mayor (and former council leader) enjoys a particularly close relationship with the conglomerate and has done for some time. His preparedness to defend its plans – sometimes quite belligerently – in the face of opposition or challenge reinforces this view. In January 2012, for example, as concerns, doubts and reservations about the aesthetics and cultural value of the Liverpool Waters scheme continued to be raised, Mr Anderson’s responses grew increasingly curt and dismissive: “the investment is vital to our city’s future prosperity”.  

13.25 He politicised the argument and referred somewhat disparagingly referred to the city’s status as a globally-recognised centre of heritage, when he said:  

“Turning Peel Holdings (the developer) away doesn’t say to the world that Liverpool is a thriving modern city. It says we’re a city that is stuck in the past. You really do need to see the scale of this project to understand just how much impact it could have. This, very simply, would transform our city. It is too big an opportunity to let slip by. The city’s leading Lib-Dem, Richard Kemp, says that World Heritage Site status is more important than the Liverpool Waters Scheme. The Lib-Dems would turn away 20,000 jobs and £5bn of regeneration, all for the sake of a certificate on the wall in the Town Hall. I say that’s madness. Whatever happens in 2012, let me be absolutely clear about one thing: we will back Liverpool Waters.”  

This unconditional support came before the application went before the Liverpool City Council planning committee. The outcome thus appeared to be a foregone conclusion. 

13.26 In his mayoral manifesto in spring 2012, Mr Anderson went so far as to take joint ‘ownership’ of the Liverpool Waters project:  

“The Liverpool Waters project – which we [Liverpool Labour] have driven through alongside our private sector partner Peel Holdings – will have a transformational impact on our city.”  

Indeed, many of the achievements and future aspirations – including pledges – listed in the manifesto were arguably directly linked to Peel’s plans for the river front and the north of the city. Speaking on local BBC radio in February 2013, Mr Anderson directly linked Liverpool’s “bright future” and “opportunities for young people” to “Peel Holdings’ development on Liverpool Waters”, the Superport and the Atlantic Gateway. He also mentioned developments at Edge Lane, Speke and Croxteth but these do not begin to match the scale, ambition, cost and timeline of the Peel projects.  

13.27 The author of the Liverpool Preservation Trust blog clearly has a very myopic – some would say obsessive - take on matters relating to the elected mayor and an
unfortunate way of expressing himself but he does keep meticulous track of developments and of interested parties and only expressed what many local onlookers were increasingly wondering when he asked in February 2012 (and on other occasions, in similar vein): “Is Joe Anderson Driven by Peel Holdings?”

13.28 The admiration and support expressed by the mayor for Peel and its aspirations is apparently mutual. John Whittaker, never known to speak about other individuals in public, was reported to have had high praise for the mayor in May 2012:

John Whittaker, whose Peel Holdings firm owns Peel Ports Mersey, and who rarely speaks in public, was moved to say at the inaugural turnaround voyage: “It’s fantastic to have a drop off and pick up facility for the first time in so many years. Peel has done everything it can do to help make that happen and we hope to continue in that vein.” Mr Whittaker believes that without Mayor Joe Anderson bringing all the elements together, the turnaround facility would not have happened.

13.29 There is clearly a crossover of political and commercial interests here, but what of the public interest?

13.30 The positive relationship between the Wirral and Liverpool council leaders and the conglomerate extends beyond mere mutual appreciation and a commitment to working on shared interests. There is much evidence of the leaderships of the respective authorities and Peel acting essentially ‘as one’ on a variety of ventures in London and China. It makes eminent sense, of course, for public and private agencies to collaborate on joint ventures so as to further their perceived (if not actual) shared interests. But Peel has become almost ubiquitous; a seemingly permanent fixture at public events of any moment:

13.31 Peel was the lead sponsor of ‘Liverpool’s’ highly-acclaimed pavilion at the 2010 World Expo in Shanghai and took the opportunity to hold a ‘Peel Day’ there, showcasing the Group’s interests (including those in Manchester) on the 19th October. Cllr Jeff Green took part.

13.32 A summit held in London in 2011, to woo investors to Liverpool, was led by “Council leader Joe Anderson, Liverpool Vision boss Max Steinberg [Liverpool Vision is Council funded] and senior directors from Peel Holdings.” Reportedly, “Peel Holdings’ Ian Pollitt talked about opportunities growing from Liverpool Waters development.”

13.33 When winning a local ‘Business of the Year’ award in August 2012, a senior Peel executive said:

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249 ‘Is Joe Anderson Driven by Peel Holdings?’ Liverpool Preservation Trust blog. 29 February 2012.
250 ‘Cruising’s little and large come to Liverpool with visits of Caribbean Princess and Ocean Countess’. Liverpool Daily Post. 31 May 2012
251 ‘Peel Day at Liverpool Pavilion’. Liverpool Waters Press Release. 19 October 2010
253 ibid
“We have had fantastic support for Liverpool Waters from Mayor Joe Anderson, his officers at the City Council, local ward Councillors, residents and business and we have been more than happy to assist the City Council with a number of projects and events.”

13.34 Peel is the largest single private sector ‘partner’ to be formally supporting Liverpool’s International Festival for Business in 2014. Its plans feature heavily in the promotion of the tax-payer funded event – which arguably amounts to the free advertising and marketing of its properties and projects.

13.35 Local authority councillors have followed their respective leaderships. As a cohort, they seem generally in thrall to Peel, happy to accept its prospectus uncritically and reluctant – either unable or unwilling - to scrutinise it too closely. There is little evidence of any local councillors on Wirral or Liverpool having voiced any independent views on Peel and its schemes. This is hardly surprising, given not only that the conglomerate ostensibly offers the answer to all their political and economic prayers but also that it has the unreserved approval of their political leaders.

13.36 Manchester-based Robert Hough is one of a number of Peel ‘people’ to have secured positions of tremendous personal and corporate power and influence. He worked as a senior executive director at Peel for decades, only leaving to take up the chairmanship of the (now defunct) North West Regional Development Agency - of which he was already a board member - in 2009. Mr Hough continued then and continues now to sit on the board of numerous Peel companies. He is currently listed as a director of: Peel Holdings (Management) Ltd, Peel Investments (Dtva) Ltd, Peel Airports (Management) Ltd, Vantage Airports UK Limited, Durham Tees Valley Airport Limited, Peel Airports Limited and Peel Investments (Rhads) Limited.

13.37 Mr Hough is, amongst other things, company director for Turley Associates Limited – “Architectural and Engineering Services and Consultancy” – which was contracted by The Peel Group to undertake work on its Salford interests. A snippet of news from the consultancy’s website advised that: “Nicholas Milner joins the London team on 30 January from Peel Holdings Ltd, where he was an Assistant Development Planner responsible for its varied sites throughout the North West.” It is an extremely incestuous business.

13.38 In 2012, Mr Hough was made chair of the board of the Liverpool City Region Local Enterprise Partnership, the Government-sanctioned, increasingly powerful, strategic economic driver for the sub-region. In this capacity, he was one of those Lord Heseltine consulted when researching his 2012 ‘No Stone Unturned’ report on economic regeneration for the regions.

13.39 Shortly after his election in mid 2012, the Liverpool mayor invited Mr Hough to sit on his ‘inner’ Mayoral Development Corporation board, set up to “provide[s] the effective decision making structure to develop the Liverpool agenda.”

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254 ‘Peel Awarded Business of the Year at Liverpool Business Awards’. Downtown Liverpool. 9 August 2012
255 Turley Associates website: News. 11 January 2012
256 Liverpool City Council website: Mayoral Development Corporation. Accessed 1 February 2013
13.40 Mr Hough is a businessman turned quangocrat turned ‘business leader’. He has never enjoyed a public mandate and does not live in the sub-region. His name did not figure at all in a (very limited) public poll conducted in late 2011 into influential personalities on Merseyside (see 13.44 below), not least because at that time, he had not yet been confirmed as the Chair of the LCR LEP and the role and status of LEPs was still unclear. Mr Hough had, in any event, traditionally kept a relatively low public profile on Merseyside. Indisputably, however, he is now an extremely powerful and influential individual on Merseyside, who enjoys privileged access to information and a senior role in decision-making.

13.41 Also on the LCR LEP board is Peter Nears, the Strategic Planning Director for Peel Holdings (Management) Ltd. Mr Nears has been with the Peel Group since 1988 and currently sits on six Peel boards: Peel Holdings (Management) Ltd, Peel Airports (Management) Ltd, Durham Tees Valley Airport Limited, Peel Airports Limited, Peel Investments (Rhads) Limited and Peel Management Limited. He is a serial board member, with a roll call of associations to his name:

“a chartered Member of the Royal Town Planning Institute, Chartered Fellow of the Institute of Logistics & Transport, Academician of the Academy of Urbanism, Fellow of the Royal Society for the Encouragement of Arts, Manufactures and Commerce. He is also a visiting Professor of Planning Practice in the Department of Civic Design, School of Environmental Sciences, University of Liverpool, Chair of Liverpool SuperPort, Member of the Liverpool City Region LEP, Member of the North West Business Leadership Team and Member of the Atlantic Gateway Partnership Board”.

13.42 Ian Pollitt, Development Investment Surveyor at Peel, became a director on the board of Liverpool Chamber of Commerce in April 2011:

“The role will allow Peel, an investor of property throughout the UK, to engage better with the business community of Liverpool. … He said "It is a great honour to be asked by the Chamber to join the main board and I look forward to working closely with chamber members over the coming years..."Peel are keen to engage with the local business community and I see this as the perfect way of strengthening those links. These are both exciting and difficult times for the business community and the Chamber is an increasingly important player”.

13.43 He also joined Liverpool Community College’s board in November 2012. The College Principal, who also sits with Mr Pollitt on the Liverpool Chamber of Commerce board, reportedly said;

“We are really pleased to welcome someone of Ian’s calibre and experience to our board of governors. Ian plays an influential role at Peel in Liverpool and with his extensive business experience and connections will be a valuable addition to the board, helping us shape plans to deliver the training and skills that local businesses need.”

Mr Pollit was quoted as saying:

“Through Peel I’ve dealt with the College on a number of initiatives and I’m a big advocate of the work they do. Liverpool Community College plays a pivotal role in the city’s economy and skills agenda. I’m keen to add my own support to this and as governor I’m planning to forge

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258 ‘Liverpool Chamber of Commerce appoint a new Director’. Clickliverpool. 28 April 2011
259 ‘New Governor joins Liverpool Community College Board’. Clickliverpool. 15 November 2012
strong partnerships between the College and key city businesses. By forging such partnerships we can develop young talent in the city and give students the business skills they need for the job opportunities that exist.”

13.44 In October, Mr Pollitt joined the board of the private-sector and quango led Liverpool Waterfront Business Partnership:

“Liverpool Waterfront Business Partnership consists of major land owners, businesses and organisations along the waterfront and was started informally two years ago with Peel playing a key part in the formation of the Partnership. Now a recently formed Community Interest Company, the aim of the Partnership is to establish Liverpool Waterfront as a major international tourist attraction by building on its reputation as one of the UK’s leading visitor destinations.

Ian Pollitt from Peel said: ‘Peel has been involved from the beginning of the process to create this partnership and I am delighted to have been invited to become a Board member. Liverpool Waterfront is an excellent place to be, it has four very unique areas that fit together perfectly to create not only a stunning backdrop but an excellent visitor environment’.

Other Directors of Liverpool Waterfront Business Partnership are from Gower Street Estates, Neptune Developments, ACC Liverpool, Canal and River Trust, Tate Liverpool, National Museums Liverpool, Merseytravel and Liverpool Vision.”

13.45 That the sheer size and purchasing power of Peel makes it a local ‘powerhouse’ is self-evident. As one think tank - the Democratic Audit - observed following a 2011 study of Liverpool City Region governance:

“The size of some of the larger companies and their ability to invest in infrastructure and large scale development projects makes them powerful in their own right. Across Merseyside there are significant major infrastructure projects currently underway or scheduled to begin. Peel Holdings represent one of the more significant developers in this regard, with the proposed Liverpool and Wirral Waters developments, as well as the proposed ‘Superport’ which will improve the Port of Liverpool in Sefton as well as the Mersey Gateway Bridge in Halton.”

A table entitled: “The structure of the private sector across Merseyside” highlighted Peel as one of (or the only) ‘major company/employer” in three of the five Merseyside Councils (Liverpool, Sefton and Wirral).

13.46 The Democratic Audit’s ‘Who Governs Merseyside?’ briefing paper furthermore suggested:

“The relative power of individual business people or companies cannot be ‘read off’ from patterns of local business representation on boards of chambers of commerce or economic development partnerships. Senior representatives of major companies are rarely found in such roles. Traditionally the chambers of commerce have represented private sector interests on the various public-private partnerships, but the emerging Local Enterprise partnership has now moved to include some of the major companies across Merseyside in its governance structure, particularly on its ‘shadow’ board which includes representatives from … Peel Holdings.”

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260 ibid
261 ‘Peel Group’s Ian Pollitt Becomes Board Member of Liverpool Waterfront Business Partnership’. Peel Group press release. 29 October 2013
263 ibid
In the event, the confirmed LEP board went on (following publication of the paper) to include two extremely senior Peel people, one – Robert Hough - as chair.

13.47 Democratic Audit also wrote, on the subject of chambers of commerce and their diminishing role: “it is not essential for a business to be a member of a chamber in order to wield power and influence”. Nevertheless, Peel has ‘seats’ on three of the boards of LCR Chambers of Commerce. As stated earlier, Ian Pollitt sits on the board of Liverpool Chamber of Commerce. Robin Tudor, who works in a senior capacity at Liverpool John Lennon Airport, sits on the board of both Halton Chamber of Commerce and Enterprise and Knowsley Chamber of Industry and Commerce.

13.48 Peel is supported by most of the Merseyside Chambers of Commerce. In February 2011, for example, the former Chair of the Liverpool Chamber, wrote a fulsome letter to the local press:

“LIVERPOOL Chamber of Commerce would like to extend our full support for the Liverpool Waters initiative. In light of the current recession and imminent public sector cuts, we are pleased to see the private sector drawing up this ambitious road map to the future. /Peel Holdings recently made a presentation to Chamber members, explaining the full scale and ambition of the project, the focus on local job creation and the visual impact of the development. /Following the meeting, several members cited examples of waterfronts that successfully marry the old with the new, including Copenhagen, Philadelphia, Vancouver and Seattle. /We would like to encourage Peel to be even bolder in its design aspirations for both building height and design. /Many of our members also made the trip to the Shanghai World Expo in 2010 and understand the global value of a spectacular waterfront. Liverpool's waterfront is magnificent, and any development planned for the next generation must ensure that it remains an iconic symbol of great design and heritage for the future. /This project, we believe, has the potential to be a world-class exemplar of a modern waterfront city weaving around the historical footprint. /On the issue of heritage, we are pleased to note that Peel intend to bring the historic and architecturally interesting Jesse Hartley Clock back into use. /We would also recommend the approach adopted by Liverpool One, who implemented a policy of integration with the city by restoring all of the historical links to the old dock. /We would urge members of the region’s business community who wish to see Liverpool regain its rightful place as a world-class city, and see it prosper throughout the twenty-first century, to make their support known to both Peel and Liverpool City Council.”

The same Chair, note, left shortly thereafter to take up a post in Brisbane, Australia.

13.49 In early 2012, the Chief Executive of Wirral Chamber told the local press that Wirral Waters would be the borough’s salvation:

“He also said … he believed the borough’s future prospects lay with Peel’s Wirral Waters scheme, which is set to create thousands of jobs. He said: “Just at the moment it’s hard to find any sort of prospect. The major thing is getting a start on Wirral Waters, which is the future for Wirral.”

13.50 There is no evidence of any of the LCR chambers of commerce having any reservations about Peel or any of its particular schemes (despite the ramifications they may well have for ‘indigenous’ business growth and for SMEs in particular).

13.51 Some of Peel’s ‘relationships’ are troubling. Two of the Group’s tenants in its Princes Dock building on the Liverpool waterfront, for example, are the Liverpool City Region Local Enterprise Partnership (formerly The Mersey Partnership) and the Department for Communities and Local Government (the Secretary of State for which has just determined that the Liverpool Waters scheme will go ahead):

“Staff in the former Government Office for the North West offices in Liverpool’s Cunard Building have relocated to Peel Group’s Princes Dock. The Department for Communities and Local Government will occupy 2,700 sq ft of existing government space, let to the Charity Commission, in 12 Princes Dock until May 2015.”

This arguably throws up all kinds of potential conflicts of interest arising from co-dependency - where the allocation of public funding or the award of planning consents, for example, is concerned.

13.52 Peel has been very much focused upon China in recent years, as a potentially rich source of investment and trading opportunities. It has clearly made progress in establishing links, if not yet securing hard and fast commitments from overseas partners. Liverpool City Council’s attendance at the 2010 World Expo in Shanghai was loudly hailed a tremendous success. It was sponsored and hosted by Peel, which sent an entire ‘Peel Team’ to the six month event and clearly oversaw proceedings.

13.53 Peel has a presence in every organisation and on every board of note across the city. In May 2011 the Group joined Downtown Liverpool in Business.

“Ian Pollitt, Development Investment Surveyor at Peel said, “Joining DLIB will allow Peel to engage more with the business community of Liverpool. It is a great organisation and their networking events are second to none. They are a well informed and respected voice of the business community and we are happy to be a member. ” /Frank McKenna, Chairman of Downtown in Business said, “It is fantastic to have Peel on board with DLIB, not only for the existing Downtown network, but for the private sector generally in Liverpool. /”Peel are spearheading major private sector initiatives and continue to create a platform for the private and public sectors to work collaboratively. /”The Peel brand is a tremendous addition to our membership, and we very much look forward to working alongside Ian Pollitt and his colleagues in the future.”

Downtown Liverpool in Business is a private, self-appointed membership consortium and plays no formal role in public affairs. But it has successfully inveigled itself with Liverpool City Council and it is apparently supported and patronised by the mayor. It was clearly quite a ‘coup’ to bring Peel on board. It also helped to consolidate the new local power network that is evidently springing up.

13.54 DLIB returned the compliment the following year, when it declared Peel ‘Business of the Year 2012’. In the words of Peel’s PR department:

“Peel was awarded this prestigious honour for its services to the City of Liverpool which encompass its plans to transform the Liverpool Waterfront through its Liverpool Waters re-development project, planned deep see River berth at Seaforth, assisting the City Council in achieving the green light for the turnaround cruise liner facility at Pier Head, securing

266 ‘DCLG relocates to Princes Dock’. Place North West. 8 November 2011
267 ‘Peel Joins Downtown Liverpool In Business’. Clickliverpool. 19 May 2011
Enterprise Zone status for 150 acres of Land in North Liverpool and assisting Liverpool Vision by providing port logistics, land and premises for the fantastic Sea Odyssey event earlier this year, a relationship Peel is keen to maintain in the future. The award also recognised Peel’s work in North Liverpool with The Eldonian Group, Liverpool Community College, Vauxhall Neighbouring Community and a number of local charities.  

13.55 The award drew paeans of praise for Peel and lots of mutual back-patting from local ‘movers and shakers’:

Elaine Bowker, Principal and Chief Executive of Liverpool Community College said, “The College is delighted to be working with Peel as one of our strategic partners in the City Region. We share a commitment to the city and the communities of Liverpool, helping to provide local people with the skills and opportunities they need to progress, and the engagement of employers like Peel is crucial to linking skills with demand and the most important outcome – jobs. Our congratulations to Peel on this award – we are delighted on their behalf.”

Ian Pollitt from Peel said, “Peel has invested a lot of time and energy into helping the City of Liverpool, focusing mainly on the communities and businesses in North Liverpool. We have had fantastic support for Liverpool Waters from Mayor Joe Anderson, his officers at the City Council, local ward Councillors, residents and businesses and we have been more than happy to assist the City Council with a number of projects and events, which have helped further lift the profile of the City. We are delighted to have received the Business of the Year award and would like to thank everyone at Downtown Liverpool for all their support over the past few years with the Liverpool Waters project.”

Chairman of Downtown Liverpool Frank McKenna said: “The Liverpool Business Awards has always been a fantastic event that recognises some of the organisations that make the city great, from the creative and hospitality industries to business and finance specialists. Peel are worthy winners of the Business of the Year Award. Their work across the city region, and indeed the North West, adds significant value to the local economy. In particular, Peel’s work at Liverpool Airport and their plans for Liverpool Waters provide confidence and inspiration to the city and its business community.”

13.56 The Peel Group is also involved with Professional Liverpool, another business consortium, sponsoring the organisation’s ‘Cannes Do’ event in March 2012 and using the opportunity to promote its Peel Waters plans.

13.57 Shortly before the Secretary of State’s approval of the Liverpool Waters project, an article appeared in Private Eye magazine. Connecting some of the dots between Peel and local ‘movers and shakers’, it speaks for itself:

“Cronyism is alive and well on Murkeyside, where the city’s leaders are not that bothered about the prospect of Liverpool losing its World Heritage status as long as a gigantic riverside tower blocks, flats ‘n’ car parks scheme gets the go-ahead.

Unesco put the city on its World Heritage in Danger list after the council gave Peel Holdings’ vast £5.5bn Liverpool Waters docklands project, which would change the city’s skyline for ever, outline planning permission last year. Communities secretary Eric Pickles is taking his time deciding whether there should be a public inquiry.

Liverpool’s bloated regeneration sector will soon be consolidated into a single Mayoral Development Corporation (MDC), doing the bidding of elected Labour mayor Joe Anderson, to oversee the delivery of Peel’s scheme. The board will include Robert Hough, a director of, er, Peel Holdings, Sir Howard Newby, vice-chancellor of Liverpool University, and rag trade millionaire David Wade-Smith, an unelected cabinet member for business. Eye readers may remember Newby’s tenure as VC of the University of the West of England, where he came

268 ibid
269 ‘Peel Awarded Business of the Year at Liverpool Business Awards’. Peel Group press release. 9 August 2012
under fire after contracts went to a private consultancy firm, Carter and Carter, of which he was a non-executive director. Wade-Smith is chairman of Downtown Liverpool in Business (DLiB), a business club which describes its modus operandi as ‘sexy networking’. DLiB makes a virtue out of cronyism: as founder Frank McKenna likes to say, ‘It’s not what you know, it’s who we know’.

McKenna’s name may ring a bell. In 2000, when deputy leader of Lancashire county council, he was arrested after the *Eye* revealed serious discrepancies in the financial records of West Lancashire constituency Labour party and the 1997 election expenses of the then West Lancs MP, Colin Pickthall, for whom McKenna had acted as election agent. McKenna was charged with conspiracy to defraud party accounts and perjury, but in 2003 a judge ‘stayed the case on the grounds that a fair trial was impossible given the time elapsed since the alleged offences.

DLiB, which has more than 400 corporate members, claims to have facilitated deals worth more than £550m since its formation in 2004. According to McKenna, the World Heritage status is a ‘vanity badge’ anyway – sentiments echoed by Mayor Anderson. Could such views have anything to do with Peel being a member of DLiB? And could the supportive local coverage which the scheme has received in the Liverpool Daily Post have anything to do with DLiB sponsoring its opinion section – which includes the editor’s blog? Perish both thoughts!\(^\text{270}\)

13.58 Given all this, Peel has for some time now enjoyed an indisputably privileged position in terms of access, ‘insider’ knowledge and influence. The Group has gained tremendous marketing and branding advantages and opportunities on the back of this, using vehicles and events intended to ‘sell’ Liverpool, to ‘sell’ the Peel brand. It is hardly surprising that there is a perception Peel has local governance – if not local authorities themselves – in its pocket.

13.59 The conglomerate’s activities have become semi-political, as the lines have blurred between public sector and private sector interests; indeed, public and private interests have been increasingly accepted as one and the same thing, which is patently not the case from a rational, objective viewpoint. What is good for Peel is not necessarily good for the Liverpool City Region populace – and vice versa.

13.60 There is very recent evidence of Liverpool Council’s increasing reliance upon Peel. Interviewed by the local press in January 2013, about the need to expand the city’s cruise liner terminal, a Council executive reportedly said that “[w]hile Liverpool council is leading on the cruise terminal, it will need to work closely with Peel Ports Mersey and land-owner Peel Holdings on a multi-million pound upgrade”.\(^\text{271}\) This is standard, of course – and Peel owns the dock estate. But the Council’s cabinet member for culture and tourism underlined the power weighting when she said unambiguously: “Nothing can happen without Peel’s financial support”.\(^\text{272}\) It will be interesting – and telling – to see how this particular issue evolves, given Peel’s plans to build a second cruise liner terminal of its own (see section 19).

13.61 Peel’s influence cannot be separated from John Whittaker’s influence, as was recognised some years ago:

\(^\text{270}\) ‘Frankly Speaking’. *Private Eye (Rotten Boroughs section)*. 8 March 2013
\(^\text{271}\) ‘Call for Liverpool River Mersey cruise terminal to expand to cope with demand’. *Liverpool Post*. 17 January 2013
\(^\text{272}\) ibid
“His influence as the boss of Peel Holdings is stamped all over the region. From the Trafford Centre to the Manchester Ship Canal, Mersey Docks to Liverpool John Lennon Airport, he commands a £2bn empire.”

13.62 Although famously publicity shy, Mr Whittaker quietly makes his presence felt. In early summer 2012, a fanfare event was made of the first cruise liner departure from Liverpool in over three decades. A local report described the spectacle, inserting towards the end of the piece a single, innocuous sentence:

“Among the approving audience was John Whittaker, head of Peel Group and owner of the Port of Liverpool.”

13.63 Similarly, although he did not speak out publicly at home about the event, Whittaker (and his sons) attended the Liverpool exhibition at the 2010 Shanghai Expo at least once. Indeed, it was there that the Vice Chancellor of Liverpool University conferred an honorary degree upon the Peel Holdings Chairman.

13.64 And it was Whittaker himself, not his ‘underlings’, who took part in Prime Minister David Cameron’s much-vaunted trade delegation to China later that same year, signalling Government approval and Whittaker’s ‘place’ in the UK business hierarchy.

13.65 In October 2010, a Big Issue panel recognised Whittaker’s immense and unrivalled ‘clout’ in the North West and explained why:

“A property developer who few have heard of? How come John Whittaker tops our first 50 Most Influential Northerners? Whittaker is the founder of Peel Group and its dominant shareholder. Publicity shy he may be, but if you’re one of the millions of northerners with horizons broadened by the low-cost flight revolution of the last 10 years, then he’s had an impact on your life. Peel owns Liverpool John Lennon Airport, the north’s budget flight hub. And if you’ve ever sat in a queue backed up to the motorway to buy your Christmas presents at the Trafford Centre, that’s Peel again. Love the grandiose retail centre or loathe it, Whittaker, who once reportedly considered becoming a priest, fought a long, determined battle to win planning permission for his cathedral of shopping. Property developers are given to hype – and when they say they create jobs they actually create the buildings for others to create them in – but his claim that the company could invest £50 billion in the Manchester Ship Canal corridor (Peel owns that, by the way) over the next 30 years means Whittaker, aged 68, will be a fixture in our future lists until he retires.”

13.66 The Democratic Audit polled the public as part of its ‘Who Governs Merseyside?’ study in late 2011. The response rate was disappointing but the way in which the question was framed was significant in light of the subsequent result:

“each participant in the vote was asked to select up to five individuals who they felt have the most power to shape public policy on Merseyside, including the option to make their own nominations.”

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273 ‘Who is our greatest captain of industry?’ Manchester Evening News: Media. 6 June 2006
274 ‘Mersey River Festival to return’. Liverpool Confidential. 30 May 2012
275 University of Liverpool website: Graduation Ceremony, Shanghai. 9 August 2010
276 ‘Hot Property’ (Feature Article). Big Issue in the North. 24 October 2010
That result was:

“There were two very clear leaders – John Whittaker, the founder and Chair of the Peel Group (40 votes) and Cllr Joe Anderson, leader of Liverpool City Council (38 votes).”\(^{278}\)

Whittaker came first – ahead not only of the local government leader who would go on in 2012 to become elected mayor but also of the Secretary of State for Communities and Local Government and of the chair of the body (The Merseyside Partnership) that would eventually morph into the Local Enterprise Partnership.

13.67 The local media – the press in particular – is largely compliant in the face of Peel’s PR machine. News stories are invariably uncritical and there is evidence of Peel’s own press releases not infrequently being used as the sole basis for articles. On the odd occasion Peel is challenged, it is but mildly and on a relatively minor issue. In February 2013, for example, a comment piece entitled ‘North end of Liverpool Princes Parade needs cleaning up’ ended:

“If multi-millionaire tax exile John Whittaker, Peel Ports Mersey owner and chairman, doesn’t appreciate the problem then that means one thing – trouble. Trouble right here in River City.”\(^{279}\)

Thus Peel’s hegemony goes largely unchallenged by the ‘fourth estate’.

13.68 Given all this, there is little doubt that The Peel Group - a privately owned and privately run concern with an off-shore power base - enjoys unprecedented levels of power and influence across the sub-region generally and in Liverpool, the ‘core city’, in particular. This runs counter, surely, to any ideal model of democratic governance?

The following five sections constitute summaries of some of Peel’s largest and/or most significant interests on Merseyside. They are not intended to be comprehensive descriptions or analyses. The aim is to highlight and briefly discuss aspects of each interest or scheme that, in our view, raise questions or concerns.

\(^{278}\) ibid
\(^{279}\) ‘North end of Liverpool’s Princes Parade needs cleaning up’. Liverpool Echo. 25 February 2013
14] Liverpool John Lennon Airport

14.1 For a long time, Peel was predominantly known on Merseyside as the ‘saviour’ of Liverpool’s Speke Airport – now named Liverpool John Lennon Airport (LJLA). The conglomerate is widely credited with having turned the facility around and - at its peak - with having boosted passenger numbers tenfold. LJLA also served as the springboard from which Peel developed its regional ‘aviation portfolio’.

14.2 That was all before the credit crunch, of course. Today, although the brand association is still strong, Peel actually owns but a 35% stake in the airport. The story of its on-off relationship with LJLA and the ownership model that now prevails will be traced in this section. It serves to demonstrate, perhaps, something about the nature of Peel’s long term commitment to projects.

14.3 Liverpool (“Speke”) Airport opened in the 1930s and for decades operated as a publicly-owned, mainly freight and cargo handling facility. Commercial operations were developed and in 1990, ownership of the airport was privatised, with British Aerospace buying up a 76% majority shareholding. Peel acquired the airport in 1997. At that time, the airport was struggling in terms of passenger usage and profitability and Peel determined to turn this round by improving and expanding facilities and services at the airport.

14.4 According to one independent study, between 1994 and 1999 Peel received some £17.7 m public monies toward this aim – an estimated £15.7m ERDF funding and £2m other (UK) public funding. Between 2000 and 2006 it received a further £12.2m worth of European Funds. In addition, accessibility to the airport was improved thanks to the Liverpool South Parkway project and the Joblink Minibus to Huyton, for which the Merseyside Passenger Transport Authority received in the region of £12m European funding. In short, the development of the airport during the period received considerable public subsidy, as has been widely recognised:

“The improvements to the existing terminal, car park, aprons and hangars have all secured substantial grant aid from the European Union.”

14.5 One former managing director of the airport described the structural funding as “gap funding”. It was a somewhat more than that. Upon announcing the successful application for further EU investment for the next stage of the airport’s expansion in 2003, the corporate affairs managed acknowledged:

“This Objective One funding is vital for the expansion. Now it has been agreed, we will start work within weeks.”

281 Friends of Liverpool Airport website. Accessed 20 January 2013
283 ‘700 New Jobs At Airport’. Daily Post. 3 April 2003
14.6 Indeed, Liverpool Airport has been duly held up as both a worthy strategic beneficiary of Objective One monies, due to its importance to the sub-regional infrastructure, and – later – as an Objective One ‘success story’.

14.7 The airport was physically and operationally transformed during the period in question, increasing capacity and improving facilities. A new £42.5m modern passenger terminal was built between 2000 and 2002. The decision to ‘rebrand’ the airport in 2002 as Liverpool John Lennon Airport was considered to be inspired – and a former airport boss was later keen to give the credit for this idea to John Whittaker himself.284

14.8 Peel revealed ambitious plans for continued expansion and improvement, including the creation of more runway and taxiway space and better parking and public transport facilities. The company also worked hard ‘behind the scenes’ to capitalise upon its asset in other ways – the Liverpool International Business Park was established, for example, offering prospective tenants 270,000 square metres of "mixed use development".

14.9 The investment appeared to pay off, with the airport seeing impressive growth in passenger numbers. It arguably benefitted as much from external developments as from its own efforts, however. The growth of low cost airlines saw the likes of Easyjet and Ryanair signing long term deals with the airport and Liverpool’s European Capital of Culture year in 2008 resulted in a huge and unprecedented spike in passenger numbers. Notwithstanding Peel’s own endeavours, the fact remains its success was clearly due, to some extent, to the Group being ‘in the right place at the right time’. Of course, this is arguably a feature of good, strategic business acumen.

14.10 EU public investment began to dry up around 2006 (although “within the programming period 2007-2013 the ERDF will finance the further development of bus corridors and interchange facilities in order to improve the transport links between LJLA and the Liverpool South Parkway station”285) And economic recession hit within a couple of years of that. LJLA’s fortunes quickly began, if not to wane, then to become precarious.

14.11 In 2009, the European Commission commissioned a major analysis of the impact of its regional development funding programmes 2000-2006 – the “Ex Post Evaluation of Cohesion Policy Programmes Co-Financed by the European Fund for Regional Development (Objectives 1 and 2) – Work Package 5a: Transport”. The ‘Regional Airport Case Study’ cited earlier examined Liverpool John Lennon Airport in detail. An extensively researched and objective piece of work, it is well written and worth attention. The study’s conclusions tend to be guarded and ambivalent, however. It found, for example, that “it is undeniable that the completion of infrastructure projects co-financed by the ERDF coincided with an exponential growth in passenger traffic and in the substantial increase of available destinations”. The report’s authors were

284 ibid
not prepared to state a categorical causal relationship – merely that improvements at the airport *coincided* with the completion of ERDF funded projects.

14.12 The authors were, however, quite prepared to baldly state the negatives:

“By contrast, there are serious questions over whether the investments in freight facilities have been value for money and have made any contribution to regional development on Merseyside.”

and:

“LJLA proved to be relatively more vulnerable to the current economic forecast”.

14.13 The analysts also questioned some of Airport Liverpool’s claims in relation to outputs at 2007:

“this claim is difficult to validate”

and:

“[it] can be observed that the project achieved most of its output objectives, specifically those relating to job creation, physical outputs and sales. However: One issue was that the number of additional gross jobs is reported as exactly the same as the number of jobs anticipated. This seemed unlikely. Upon requesting further information, it was explained that the total number of jobs would therefore be higher but that the target figure was all that the owning company had reported. The same problem can be expected for the other indicators (for example, gross new sales). This throws into question the reporting of the figure. In addition, it was not possible to verify the figures for gross new sales as the base data is not available from the airport operator.”

14.14 Peel’s plans in 2009 for future development of the airport also seemed at odds with wider strategic plans. With regard to the North West Operational Programme (NWOP) for 2007-2013, for example, the analysts found:

“The Master Plan drafted by the airport manager still identifies some potential for ERDF co-financing for infrastructure enhancements and marketing but this is not contemplated by the new NWOP.”

14.15 At least six times in the report, the authors state explicitly that the Airport management had been unable or unwilling to provide information, data or clarification. Moreover, as the report was being written, Peel was in the process of seeking a buyer for “up to 49% of Peel Airports” and this was (somewhat inexplicably) given as the reason why the company “has not provided us with some of the additional information requested in connection with this case study”.

14.16 There are some unequivocally critical findings:

“This calls into question the validity of the investment”

and:
“At the interview with the airport manager it transpired that the current situation for freight is disastrous”.

(This particular discovery is interesting, given that Peel is currently focused on securing public moneys to develop is freight business at Durham Tees Valley Airport).

14.17 Nevertheless, the overall evaluation was positive:

“From a preliminary analysis, it is evident that the airport completely reversed its market profile, abandoning the traditional role in freight and mail traffic and developing enormously the new opportunities brought by the low cost carriers’ entry into the market”.

14.18 The study was published in November 2009; the research conducted earlier again. It therefore took no account of the impact of the longer-term economic recession that still persists over three years later. What the study did touch upon was what other industry experts have since argued: that the problem with the steep and rapid rise in LJLA’s fortunes was arguably that they were always unsustainable and vulnerable to external forces – through Peel’s over reliance on low cost carriers, for example. Economic developments following the 2008 Capital of Culture bubble would seem to justify such an analysis.

14.19 LJLA is not in crisis. Annual passenger numbers peaked in 2007 at a little under 5.5m, dipped slightly in 2008 and 2009 but began to edge up again in 2010 and 2011. They currently stand at over 5m.

14.20 Nevertheless, the airport is clearly not a ‘money spinner’ and by 2010, industry rumours were rife that Peel planned to sell off all or part of its airport interests. One interesting theory at the time was that the money raised would help fund Peel’s attempted £8m acquisition of Forth Ports, one of Britain’s biggest port operators. In the event, Peel was not successful but the hypothesis was likely feasible.

14.21 A piece of analysis published by Airport Watch in March of that year provided an industry view of Peel’s experience in the airports sector. It found that “Peel’s Liverpool Airport has failed to make a profit under its ownership” and that “Peel found that investing to replace totally inadequate infrastructure was very expensive when the primary source of income, from aeronautical revenues, is so hard to maximise when your client base is ‘low cost’”. It added: “Things are little better at Doncaster-Sheffield Airport … or Durham Tees Valley” (Peel’s other regional airports).

14.22 The author pointed out that “Peel has invested heavily in its airports but it also sought assistance from the European Union Objective 1 and 1A regional aid schemes that support economically retarded areas. All the airports were in these areas. That money has now all but run out.”

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286 ‘Peel Holdings to sell airports to fund purchase of port company?’ GLG Expert Contributor. AirportWatch. 8 March 2010
14.23 Such comment was typical of a general, growing recognition that Peel’s airports had not proven to be “the cash cows they thought they would be”. It was common knowledge amongst industry specialists that Peel was looking to offload part of its airport business and widely known for some time that Peel had approached both Rothschilds and Vancouver Airport Services (YVRAS) in Canada about becoming “minority investors”.

14.24 The reason given was the economic situation: “Peel is looking to sell off non-core parts of the business after seeing millions of pounds wiped off the value of its assets as a result of the recession.”

14.25 A newspaper article quoted a valuation of £200m for the airports combined and others suggested as much as £300m but one industry analyst suggested a figure of £50m to £100m was actually more realistic, given airport valuations were, for a variety of reasons, “in freefall”.

14.26 Airport Watch wondered about developments:

“I’m not sure what YVRAS sees in these airports although the organisation is reputed to have good skills at turning poorly performing airports around,”

and offered an assessment of and prognosis for the Peel Airports:

- “There is still some growth potential at Doncaster Sheffield”
- “Durham may be a basket case”
- “Liverpool has done most of its growing in the budget segment already and needs to build up quickly in the legacy segment.”

14.27 By mid-June 2010, it was official and an investment deal with Canada was announced. This was a little misleading. Vancouver Airport did not merely ‘invest’ in the Airports Division – it bought a majority (65%) share, thus taking on overall control.

14.28 Vancouver Airport Services was described by Peel at the time as follows:

“Vancouver Airport Services is a leading global airport investment, management and development company. It is jointly owned by Vancouver Airport Authority and Citi Infrastructure Investors.”

Peel thus shuffled off centre stage, leaving Liverpool John Lennon Airport to be mainly owned by Canadian public funds and a US bank.

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287 ‘Vancouver Airport Services and Peel Holdings in Talks’. Northern Echo. 2 February 2010
288 ‘Peel Reportedly in Talks to Sell Stake in Peel Airports’. Airport Watch. 6 March 2010
289 ‘Peel Plans Airports Sale for Forth Bid: Transport Giant Could Raise £200m to Help Buy Ports Firm’. Mail on Sunday. 7 March 2010
290 ‘Peel Holdings to sell airports to fund purchase of ports company?’, GLG Expert Contributor. Airport Watch. 8 March 2010
14.29 Ownership changes have continued apace since the 2010 purchase. The Peel Group reportedly bought Durham Tees Valley Airport (DTVA) back in 2011. Vancouver Airport Services morphed at some point during the period into the Vantage Airport Group. And very recently (January 2013), the Peel Group was said to have bought back Doncaster Airport.

14.30 As far as can be ascertained, the ownership of LJLA is now as depicted in Figure 7, overpage. This ownership structure suggests that any profits are ultimately channelled to Canada, the US and/or the Isle of Man.

14.31 Vancouver Airport Authority describes itself as follows:

“Vancouver Airport Authority is responsible for the development and maintenance of airport infrastructure, overseeing day-to-day operations at Vancouver International Airport (YVR) and delivering a high-service, low-cost business model. In 1992, the Airport Authority took over the YVR leadership role from Transport Canada. A not-for-profit organization, the Airport Authority reinvests all earnings in airport development and improvements, and is governed by a community-based Board of Directors.”

14.32 Vantage Airport Group describes itself thus:

“Vantage Airport Group, formerly Vancouver Airport Services, was formed in 1994 to market the expertise and airport management techniques developed at the multi-award-winning Vancouver International Airport (YVR). Over the past 18 years, Vantage has achieved measured growth and has evolved and developed to meet the changing needs of the global aviation industry. Jointly owned by Vancouver Airport Authority and Citi Infrastructure Investors (CII), Vantage Airport Group has a unique competitive advantage, combining best-in-class airport management and operations expertise with the strength of an infrastructure fund.”

14.33 In June 2012, CAPA, the Centre for Aviation diagnosed Liverpool Airport’s main problems – not least an over-reliance on budget airlines and a failure to ‘diversify’:

“So that is the position LJLA finds itself in. Having been propped up by a charter flight company (Direct) when it was on its last legs it moved to the low cost carrier segment at the expense of that company, on deals that were almost certainly not to is benefit in the long term. It appears to have maximised its potential short/mid-haul route network for now (there are almost as many route cancellations as there are start-ups) and has been unable to develop any sort of realistic short-haul network airline programme, having lost airlines such as KLM, Aer Lingus and VLM/Air France. Right now, and as has been the case for the vast majority of the last three decades, there is no air service to/from any London airport. Long-haul service airlines such as FlyGlobespan (New York, Toronto) have come and very quickly gone, along with indirect ‘sixth freedom’ long-haul connections via Dublin on Aer Lingus and KLM via Amsterdam.”

294 ‘Shock horror! Liverpool airport turns to charters for its salvation’. CAPA - Centre for Aviation. 15 June 2012
FIG 7: Liverpool John Lennon Airport – Ownership at February 2013

FIG 8: Liverpool John Lennon Airport as part of Peel’s Aviation Portfolio
Peel did very well out of the rise and rise of the low cost carriers (or ‘budget airlines’). It continues to be arguably over-reliant on two of the key players – Easyjet and Ryanair account for over 90% of passenger traffic, which “leaves LJLA horribly exposed to a withdrawal or run-down of services by either of the big two carriers, which is increasingly on the cards as nearby Manchester Airport, newly confident and aggressive since a change of top management in 2010, increasingly courts those very same carriers”.

A rapid turnover of senior management at LJLA – three managing directors in as many years between 2010 and 2013 - perhaps reflects turbulence and uncertainty within the Peel fold. It certainly suggests a lack of clear purpose and continuity.

A 2012 interview (cited earlier) with Neil Pakey, managing director between 2002 and 2012, is revealing. In it, he describes himself as a “Peel man right to the wire" and is effusive in his praise of the Peel Group, the "vision of Peel" and John Whittaker. Pakey is bashful about successes at the airport – not least, perhaps, because most of those flagged up in the interview subsequently turned into failures. The launch of a KLM route from Liverpool to Amsterdam Schipol in 2009, for example, was seen as a major breakthrough. Less than three years later, the route was axed. Similarly, a high-profile campaign in 2003 to re-establish a Liverpool-London air link ended successfully with the launch by VLM of a regular shuttle between LJLA and London City Airport. That, too, was cancelled within a few years.

By the end of 2012, LJLA was being described as “bullish” in the face of soaring financial losses and falling passenger numbers. The local press reported in November that annual losses for the Peel Airports Group rose from £3.2m in 2011 to £11.4m in 2012 and that passenger numbers were on a downward trajectory, with 620,000 fewer passengers over the preceding nine month period. A 14% fall in LJLA passengers throughout 2012 was reported in March 2013.

The Peel Group blamed the recession generally, and the rate of Air Passenger Duty (APD) in particular:

“The fall in passenger numbers was mainly due to airlines such as EasyJet and Ryanair cutting routes and frequencies in response to the economic downturn and the impact of the Air Passenger Duty tax on flight tickets”.

The withdrawal of KLM from the airport was also held to be partly responsible.

Others, however, suggested Liverpool had essentially been ‘propping up’ its two failing sister airports – much of the financial difficulties were attributed to the sale of Durham Tees Valley airport at an £8.8m loss. It was suggested that “in isolation” LJLA had managed to ‘break even’ on (and even slightly increase) both revenues and earnings.

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295 ibid
296 ‘Profile: Neil Pakey, former managing director of Liverpool John Lennon Airport’. Liverpool Post. 26 July 2012
297 ‘Losses and falling passenger numbers hit Liverpool John Lennon Airport group.’ Liverpool Echo. 30 November 2012
The problem with this kind of rationalisation, of course, is that LJLA does not exist in isolation. Figure 8 (page 122) depicts just one cluster of relationships within the Peel Airport family. The companies are all interdependent. This means (as the sale of DTVA demonstrates) that if one ‘goes down’, there will invariably be ramifications for the related companies.

It was revealed over the 2012/13 winter that the Peel Airport Group was “in talks over a possible transatlantic service between the city and Toronto in Canada”. Is a Canada route an actual local priority? Is it commercially viable and sustainable? Or was this merely an easy, mutually-beneficial option floated between contacts and current and former colleagues? It seems more than a coincidence. Significantly, perhaps, the new chief executive – speaking to the local press in January 2013 - made no mention of a mid-haul route to Toronto.

Given the above, LJLA’s foreign ownership – another form of ‘landlord absenteeism’ - surely raises questions about how well placed the owners are to recognise, understand and meet local demand. New low cost carrier (Norwegian and Wizz Air) routes between Liverpool and Nantes, Newquay, Copenhagen and Malta are also reportedly in the offing. New business is not to be denigrated but these routes seem very random, as though airport executives are scrabbling around and simply grabbing haphazardly at any routes on offer. And the danger of continued reliance upon low cost carriers has already been discussed.

It was announced in January 2013 that a new chief executive had been appointed at LJLA, “the third chief executive in as many years”. He came from the Vantage Airport Group, the parent company of LJLA. His outgoing predecessor is set to “take up a senior position within the Vantage Airport Group network in Cyprus”. In addition, the former Deputy Chief Executive left in 2012 to work “within Vantage’s Global Group”.

Given all of this, it is difficult to regard Liverpool John Lennon Airport as ‘local’ in any sense. It is owned and run entirely by outside interests. Whilst the Vantage Group do have airports expertise, which is to be welcomed, do they have sufficient knowledge of and interest in the sub-regional and regional demographic to make things work? Regional facilities require regional understanding, surely?

Peel boasts that it is a strategic player that enters into projects for the long haul. It is interesting, therefore, to note one of its plans in 2009, particularly given its failed freight strategy, as judged by EC commissioned experts:

“There are also long term plans to build a new freight terminal south of the main runway, on what is currently agricultural land”.

The Group, intended, it seems, to press on regardless, despite its “disastrous” experience with air freight, to date.

298 ‘New chief executive of Liverpool John Lennon Airport appointed’. Liverpool Echo. 8 January 2013
14.46 It is also interesting in light of the fact that Peel is currently seeking a significant amount - £5.9m - of Regional Growth Fund investment to develop “a huge freight operation” at the struggling Durham Tees Valley Airport. Peel Holdings has claimed the ten-year project could create 1,500 jobs and provide “a huge boost” for the site. Robert Hough, the Chair of the Liverpool City Region Local Enterprise Partnership, has spoken out at length (in The Northern Echo and the Evening Gazette, for example) in support of DTVA’s need for public funding, in his capacity as chairman of Durham Tees Valley Airport.

14.47 At the full Liverpool City Council Meeting on 16 January 2013, a motion on the subject of John Lennon Airport was tabled:

“Council recognises the importance of John Lennon Airport in terms of the contribution it makes to the Liverpool tourist economy, particularly the service and retail industry of the city. Further Council acknowledges that the tourist experience together with their first impressions of the city play a key role in determining whether or not they visit again and the messages they portray of the city to other potential European and international visitors. Council acknowledges that the tourist experience on entering and/or leaving the city should be to the highest standard, reflecting the aspiration of the city to be a world class city and first choice of destination for travellers. Whilst Council accepts that the airport and its staff work hard to managed the number of passengers using the airport annually, it needs to be satisfied that the standards of customer care in every respect are aligned to the aspirations of the city to ensure high standards and the best possible customer experience are maintained on landing and staying in the area. Council also notes with concern the recent loss of KLM airlines from the airport schedule, which provided a direct link for long haul travel and will detrimentally impact on the city’s ability to attract business visitors and potential export opportunity. Furthermore this loss will impact further on the local economy as travellers migrate to Manchester Airport plc for business and long haul flights. To encourage further access and utilisation of John Lennon Airport seek active steps to provide a rail/train link to the airport [sic]. Council therefore calls upon the Mayor to establish how John Lennon Airport is aligning its services to the aspirations of the city and what action is being taken to secure new airlines to provide greater access to and from the city for all types of traveller.”

Clearly, there are some involved in local governance who are concerned about LJLA and not wholly convinced that it is moving in the right direction.

14.48 Liverpool John Lennon Airport was Peel’s flagship Merseyside venture. The Group offloaded lead responsibility for it within little over a decade, once European subsidies began to run out and external pressures began to mount. That is what private businesses do, of course – but it does not demonstrate the most whole-hearted of commitments to a key piece of public transport infrastructure.
15] Wirral Waters

15.1 Wirral Waters is the sister scheme to Liverpool Waters (see next section); together, they form ‘Peel Waters’ (the ‘brand’ name) or ‘Mersey Waters’ (the Government recognised Enterprise Zone).

15.2 Described as the “largest and most visionary regeneration project in the UK”, big budget (£4.5bn) and long term (30-40 year), the scheme will reportedly transform over 500 acres of the Birkenhead docklands into a futuristic urbanscape. It is indeed a veritable ‘mega scheme’ – a ‘mixed use, high density’ development incorporating a little of everything (retail, leisure, housing, transport, office, warehouse and workshop accommodation and open spaces). Essentially, Peel proposes to create an entire ‘neighbourhood’ or district from scratch. The pièce de resistance – and the key economic driver – will be a huge ‘International Trade Centre’.

15.3 Add-on features are being announced all the time – a showpiece ‘beacon’ tower, an automotive car parts factory, a street tramway. It is unclear, from the public’s perspective, whether these were part of the original plans, afterthoughts or evidence of Peel devising projects ‘on the hoof’.

*FIG 9: Wirral Waters – Aspirations in Numbers*

<table>
<thead>
<tr>
<th>Feature</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>£4.5bn cost</td>
</tr>
<tr>
<td>Land</td>
<td>50 acres of land</td>
</tr>
<tr>
<td>Jobs</td>
<td>20,000 permanent new jobs</td>
</tr>
<tr>
<td>Development Period</td>
<td>30 years to complete</td>
</tr>
<tr>
<td>Housing</td>
<td>13,200 new homes</td>
</tr>
<tr>
<td>Key Development</td>
<td>International Trade Centre</td>
</tr>
</tbody>
</table>

*Source: Wirral Waters website (www.wirralwaters.co.uk)*

15.4 Precise figures vary but Peel and others reporting on the project suggest it will create anywhere between 20,000 and 27,000 permanent new jobs:

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301 ‘Liverpool Council Leader backs 4.5 billion Wirral Waters Scheme’. Wirral Globe. 29 July 2010
The scheme is ‘jobs’ driven. Wirral Waters seeks to create well over 20,000 permanent new jobs in Wirral, for Wirral, in magnificent new buildings centred on the docks. The scheme will also help create skills and apprenticeships for young people, giving them a future on their doorstep.\(^\text{302}\)

### 15.5 Aspects of the scheme are typically promoted by Peel as follows:

“East Float forms the heart of the Wirral Waters regeneration project, launched by Peel Holdings in 2006. It comprises of 17 million square feet of mixed use floor space and is the largest of its type in the UK. It will transform the economic fortunes of Birkenhead and Wallasey, in addition to Wirral and the broader Liverpool City Region. East Float was “minded to give” planning permission by Wirral Metropolitan Borough Council Planning Committee on the 3rd August 2010 through a unanimous positive vote. The scheme was formally approved by the Secretary of State on the 29th November 2010. East Float will establish a series of five different quarters each with its own character and approach to design. These quarters are Sky City, Northbank West, Four Bridges, Marina View and Vittoria Studios. The scheme will include a mixture of commercial, tourism, educational and cultural activities as well as up to 13,200 new homes, and will provide truly 21st Century ways of living and working in a highly sustainable way. Once constructed, it is estimated that the East Float development will deliver over 20,000 new jobs and be home to up to 30,000 new residents over a period of 30 years.\(^\text{303}\)

### 15.6 The economic cornerstone of the development is to be the Peel International Trade Centre (Peel ITC), a vast warehousing and wholesaling facility, comprising “multi-purpose buildings” and providing a total floor area of approximately 2.5 million square feet. The centre will include trade showrooms to display, promote and sell wholesale products manufactured abroad to customers from the UK and Europe. Peel estimates that, eventually, some 1000 companies will be able to operate out of the facility. The status of Enterprise Zone awarded by the Government is an added benefit to the Peel ITC as tenant businesses will pay substantially reduced local taxes for the first five years of occupation. Note that the ITC is intended to accommodate foreign businesses – they are very actively courted on the Peel ITC website, with advice extending to detailed visa and immigration information.

### 15.7 A snapshot of how the centre is being marketed to prospective tenants is as follows:

“The Peel and Sam Wa Partnership are constructing on its land an “International Trade Centre” located at Wirral in the Northwest of England within the port city region of Liverpool. This is the first of its kind in the United Kingdom and the largest and most sustainable Trade Centre in Europe. This facility will sell an unlimited variety of goods to the wholesale market and serve as a trading ‘Gateway’ into the UK and Europe. It will be a facility in excess of 230,000 square metres (2.5 million square feet) providing self-contained units for up to 1,000 companies from China, India, South Korea and other emerging economies to exhibit, sell and distribute their goods into the UK, Irish and European markets. This facility will include exhibition/event space, serviced offices, cafes and restaurants, conference centre etc. all adjacent to an excellent transportation network of road, rail, water and air. This International Trade Centre will be a meeting place for its tenants to build long term relationships with European wholesale buyers that will use the facility for all their purchasing needs. Within the facility will be a dedicated Management Team who focus on marketing both

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\(^{303}\) Wirral Waters website: Planning Permissions. Accessed 10 January 2013

\(^{304}\) ‘Peel gets go ahead for international trade centre’. Peel ITC press release. 21 September 2011

\(^{305}\) ibid

the concept and the products to help drive their businesses forward generating awareness and attracting buyers from all over Europe.\textsuperscript{307}

15.8 There is widespread and very enthusiastic support ‘over the water’ for the Wirral scheme in general and the ICT in particular. The latter received planning permission in September 2011 and a delighted Lindsey Ashworth, Development Director at Peel Holdings, said:

“This is a fantastic decision for the people in Wirral who have been 100% behind the idea since proposals were announced at the beginning of this year.”\textsuperscript{308}

15.9 The enthusiastic backing of some of the Wirral MPs has already been noted.

15.10 As has that of Wirral Council: Peel has spoken of “staggering levels of support from the Wirral community and surrounding local authorities”\textsuperscript{309}. Indeed, the multi-million pound International Trade Centre has been described as so vital to the district’s economic future that one local councillor suggested it should be shielded from local government budget cuts:

“Cllr Mark Johnston, chairman of a special panel set up to scrutinise preparations for the opening of the centre next year, said: ‘It is not over-dramatic to say that the International Trade Centre presents itself as a once-in-a-lifetime opportunity for Wirral. The panel members have concluded that the success of the ITC should be considered to be a high priority for the authority and that this should be reflected in the council’s budgetary process.’”\textsuperscript{310}

15.11 It has not all been unalloyed excitement, however, from the point of view of the onlooking public. The following comment piece, written in late 2010, contained some fairly predictable concerns and objections from a civic group but it also flagged up a number of key (and legitimate) questions relating to the feasibility of the project:

“But what will be of concern to Wirral Society members five decades up the road will be precisely the same concern which brought about the founding of the Society in the first place back in 1928. That is, the Peninsula’s appearance. I mention this now in the light of Messrs Peel Holdings, the powerful overlords of the River Mersey Docks system (and much else besides), who are dead set on restructuring the riverside entrance into the port of Liverpool in the style of Sydney, New York or Shanghai. Cruise passengers on ships entering the River Mersey fifty years from now will, we’re promised, experience the thrill of sailing though a great aquatic Manhattan, lined on both sides with cloud-busting, sky-scraping tower blocks in which thousands of office workers will be beavering away and hundreds more will be domiciled in apartments and able to enjoy the wonders of world city life in (I quote) “an international quality leisure destination.” You can get the essence of what Peel have in mind by looking at the artist’s impressions of the scheme on their website. Anyone not knowing better would probably guess that they are looking at scenes in Sydney, New York or Shanghai, Or Toronto or Los Angeles or Dubai. So intent are Peel Holdings to realise this ambition that they have already made a start and money seems to be no object. At the end of last year they lodged what is said to be “the biggest planning application in the country” for redeveloping the major part of the erstwhile Birkenhead docks system. The projected cost? Four and a half billion pounds. And so determined are they that this will go ahead they have said that, given

\textsuperscript{307} Peel International Trade Centre website: About. Accessed 16 January 2013
\textsuperscript{308} ‘Peel gets go ahead for international trade centre’. Peel ITC press release. 21 September 2011
\textsuperscript{309} ibid
\textsuperscript{310} ‘Wirral Trade Centre should be immune from budget cuts’. Wirral Globe. 12 November 2012
planning approval, a start will be made this time next year. But Peel have also threatened that if the plans are “Called In” for ministerial consideration they will immediately abandon the scheme. Which is not very nice. The inference from that bullying statement is that they will brook no opposition to their plans. Yet it is very feasible that many Wirralians will not like the idea of being Shanghai’d. Skyscrapers are an anathema to many people who see no beauty in them and heartily dislike having to enter small confining cubicles to be whisked with the speed of light up to workstations among the clouds. Peel also claim that when finished, the scheme will provide offices and workshops to support more than 20,000 jobs, hundreds of dwellings of one sort or another, bars, restaurants, leisure facilities and other facilities. But no-one seems to have asked how that figure was arrived at. An educated estimate or simply plucked out of the air? And where are all these 20,000 jobs coming from? What kind of jobs will they be? Will the scheme make the Wirral bank of the Mersey a new gold-rush area bringing in job-seeking, life-enhancing immigrants not only from all over Britain but from all corners of the European Union and beyond? Wirral Council have received the plans with great enthusiasm. But do they - and Peel Holdings – seriously believe that building can go on, plan after plan after plan for 30 years without any snags or anyone voicing the slightest criticism? And do they imagine that the next 30 years will be years of peace and plenty, unsullied by conflicts, economic disasters, pandemics, acts of terrorism, tsunamis, earthquakes, heavy snowfall winters and the unknown terrors of global warming? The last century, remember, brought two fierce world wars, a great depression, workers’ unrest, the Falklands war, the Iraq war and, currently, the Afghan war and, of course, a financial crisis which may still be a bit of problem 30 years from now. That is why this piece is titled ‘Wirral 50 years on.’ Hasn’t experience shown that few grand-scale building plans are ever completed on time? Allowing for 50 years for completion of an estimated 30 year project seems reasonable.311

15.12 Peel has stated that it intends to invest over £4.5 billion in the wider Wirral Waters project over the next few decades. Most of this is “likely” to be Peel’s money, which the conglomerate will recoup through “sales values and rental income”.312 Peel is also aware of the possibility of receiving taxpayers’ money:

“Peel is working with the Council and other agencies to look at the availability of public funding…”313

Indeed – as was revealed in section 6 (see 6.22) - the conglomerate has devised an entire ‘public funding policy’ for the scheme.

15.13 It is therefore curious that the Group claims on its website the project will cost the taxpayer “virtually nothing”:

“Directly, East Float will cost the taxpayer virtually nothing. It is largely being financed by Peel, and most of the public funds that are available come from the Government and the EU, and would be spent in other areas if they are not secured for East Float.”314

This rather flippant assurance ignores (or reflects ignorance of) the fact that the Government and EU money is taxpayers’ money.

15.14 Peel’s Wirral Waters plans came swiftly and seamlessly to fruition. The Group revealed its proposals in September 2006. Eighteen months later, in March 2008, it received planning permission to refurbish an historical listed building - the Hydraulic

313 ibid
314 ibid
Tower - in Birkenhead (and thus effectively to ‘kick start’ proceedings). Peel Holdings announced that it would be hosting a public exhibition to “showcase” the Wirral Waters scheme over 12/13 September that year.

15.15 In October 2008 Peel released the “results” of said exhibition, revealing that 470 questionnaires had been completed and over 95% of those who took part supported the scheme. The conglomerate reported that it was “overwhelmed and delighted by the number of people who came to see us over the weekend, and equally pleased by the responses and reactions from the people of Wirral at the revised proposals for Wirral Waters…Almost everybody was in full support of the scheme and keen to get things moving.”

15.16 In February 2009, a planning application was submitted for the “first major mixed use development master plan/quarter” of the scheme (the Northbank East proposals). These were approved by Wirral Council on 14 August. In December 2009, Peel announced a further public exhibition over 4/5 December. On the 14th of that month, Peel submitted what was at that time the largest planning application in the UK, for the East Float (ie: residential) part of the scheme. In July 2010, Liverpool Council Leader Joe Anderson backed the project and days later, Wirral Council granted planning permission for Wirral Waters as a whole. The application was passed quickly on to the Secretary of State for Communities and Local Government. He opted not to call the application in and in September 2011, Peel received the Government ‘go-ahead’ for the International Trade Centre. The ITC is expected to be developed in four phases. Decontamination work has begun on the site and construction is set to begin at some point during 2013.

15.17 The International Trade Centre is effectively what has been described as a “trading outpost” on the Mersey. It is set to complement Peel’s plans for Port Salford, where it has approval to develop “a multimodal freight terminal, known as Port Salford National Import Centre, with 153,000 square metres of warehousing”. The conglomerate is aiming at the Asian manufacturing markets – predominantly China but latterly India, too. As the ITC is clearly being flagged as the jewel in the Wirral Waters crown – and the feature around which much of the ‘incidental’ development will revolve – it merits some close examination:

15.18 Peel’s focus on China is borne of its links with the Sam Wa Group, now its official partner for the Wirral Waters scheme. Senior Peel executive Lindsey Ashworth, who takes considerable credit for the ITC ‘vision’, reportedly spent years building up a relationship with the Asian conglomerate:

“I have been holding regular meetings with Stella Shiu, my opposite number in Sam Wa, for close to two years. Each meeting advances that feeling of understanding and trust.”

15.19 The partnership enjoys the best of endorsements. A press release issued by the British Embassy in Beijing to mark “UK Day: China-UK Partnership Summit” in May 2012 made positive reference to the Peel-Sam Wa venture:

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315 ‘Peel pleased with response to Wirral Waters Exhibition’. Peel Group news release. 1 October 2008
“Senior officials from China and the UK attended and witnessed the signing ceremony of the founding of the Peel International Trade Centre by the Peel Group and Sam Wa Group. This trade centre project is dedicated to helping Chinese businesses enter the European market and promote independent brands, as well as providing a one-stop procurement centre for European wholesale buyers. The project consists of four phases: construction is planned to begin in July 2012 and complete in October 2013. The Trade Centre will open in November 2013 when tenant businesses will move in. Upon completion, the centre can accommodate over 1,000 companies to exhibit, sell or assemble their products. The Peel International Trade Centre will contribute to the further development of China-UK bilateral trade and promote “Made in China” as a high quality brand in the world.”

Clearly, considerable political weight has been thrown behind the partnership; the official signing saw representatives from UK Trade and Investment, the China Ministry of Commerce, Wirral Council and the British Consulate General in China in attendance.

15.20 Credit for the partnership has also been claimed by a Birmingham law firm, who threw an interesting light on the proceedings that led up to the partnership agreement and suggested that their clients (Sam Wa) would view the Peel ITC as “a base” to be used as “a springboard into the vast European market”:

“Birmingham law firms Martineau and Loyntons are celebrating with Chinese client Sam Wa after planning permission was granted for the development of The Peel Group’s 2,500,000 square feet international trade centre at Birkenhead Docks... /Andrew Whitehead, senior partner at Martineau commented:"When we launched our collaboration with Loyntons some months ago, our intention was to offer Chinese clients, like Sam Wa, a unique combination of legal and business services focused on helping them take advantage of the favourable business climate here in the UK. The Peel ITC project has been a good opportunity to show how this collaboration can work in practice. As we move into the next phase, we expect to work hard in coming months both here and in China to help Sam Wa deliver Chinese businesses to the development."... /Jenny Loynton said of this important step: "We flew to China in March to join Sam Wa and Peel to help sell the UK as a business and investment location, and in particular the opportunities presented by the Peel ITC. The granting of planning permission was obviously crucial and I now expect to see the development really pick up pace. Our experience of the Chinese legal system and its bureaucracy means we are uniquely placed to help Chinese investors and occupiers become part of the Peel ITC, which is possibly the most important step."... /One of the key components in this first stage of the Peel ITC project has been the development of a prospectus on the investment and trading opportunities available for businesses from the Far East, and input from Martineau and Loyntons has included advice on how best to deal with the new UK immigration rules and how to work through the Chinese Government’s restrictions on overseas investment... /The arrival of so many new companies into the Peel ITC will significantly raise the profile of the UK within the Chinese and Korean manufacturing sectors, with these businesses expected to use their new base in the UK as a springboard into the vast European market. A move anticipated by Martineau, who recently opened an office in Brussels, at the heart of European policy and decision making.”

15.21 A new ‘partnership’ company – Peel and Sam Wa Investments - was incorporated in the UK in May 2012. A reincarnation of Peel International Trade Centre Limited, the company is registered at and trades from the Peel Dome in The Trafford Centre (ie: Peel HQ). The four directors are Lindsey Ashworth, Steven Underwood, Neil Lees and Stella Hon-Huen-Shiu.

15.22 The precise nature of Sam Wa (Minerals/Group) and its business has not often been referred to in public promotion and coverage but the company has been described as “a global minerals importer and exporter based in Hong Kong and Jiangsu”\(^{319}\) and a “multi billion dollar” concern.\(^{320}\) The implication is always that it is ‘big’. UK professionals involved in shipping and trade in minerals were unfamiliar with the name when asked, however.

15.23 According to Peel:

“The Sam Wa Group (formerly Pacific Win Holdings Limited) is a Chinese holding company that owns eight companies, namely Sam Wa Resources Holding Limited, Sam Wa International Investment Group Limited, Peel and Sam Wa (UK) Investments Limited, Sam Wa Minerals Limited, Sen Lin Limited, Hong Kong Evergreen Jewelry Subsidiary Company, Jiangsu Li Sen International Trade Company Limited and Wuxi Shifang Touchstone Culture Media Company Limited. The Sam Wa Group has a 30 year exclusive mining right lasting until 2039 situated in the southern part of the Philippines which covers a total area of 640 hectares of land containing nickel, manganese, copper and gold mineral ores. Sam Wa's subsidiary companies are involved in areas as varied as ore mining and smelting, real estate investments, trading and logistics, international trades, jewelry, home appliances, cultural industry, organic orchards and numerous global trading businesses. With over 15 years' experience of international trading, Sam Wa is devoted to transform “Made in China” into a globally recognised tag that represents high quality. Enterprises that take up tenancies will all benefit from this strong experience and partnership.”\(^{321}\)

15.24 Sam Wa is in fact an extremely obscure and opaque organisation, itself part of a larger conglomerate. It has little demonstrable ‘form’ and a peculiar background. A very basic website, decidedly ‘amateurish’ in appearance, reveals little about the true nature of its current business – and even less about its governance and financial arrangements. The website graphics are of extremely poor quality, the English is clumsy and littered with errors and pages are empty or incomplete. This might arguably be taken as something of a red flag – surely a multi-billion pound concern should have the means – and the motivation – to maintain a half-way professional website presence? [The Chinese version clearly contains more content, appears to be a little more ‘upmarket’ and reasonably up-to-date. We note that most company developments highlighted are linked to the Peel partnership.]

15.25 The ‘About Us’ section suggests:

“Sam Wa Minerals Ltd. is one of the enterprises wholly-owned by Sam Wa Resources Holdings Ltd., has exclusive mining claim situated in the Southern part of the Philippines, covering a total area of 640 hectares which contained Chromites, Nickel, Manganese, Copper and Gold mineral ores etc… /Its previous establishment founded in 1995 was Pacific Win Holdings Ltd. which specialized in import and export trade. Exported products: Household’s electrical and electronic O.E.M. products; communications, audiovisuals, multi media, digital, entertainment etc., a wide range of product development and sales including hardware tools and exclusive products linked to the hotel trade… /Imported products including: Chromites, Nickel, Manganese, Copper, Iron Ores, Coal, and has established stable business relations with Philippines, Indonesia, U.S.A., Europe, South Africa, Turkey, Tanzania, Angola, Jordan, India, Peru, and Mexico…etc… /Over 15 years of business working with high quality

\(^{319}\) ‘Peel’s Chinese investors eye more Mersey Schemes’. Place North West. 12 March 2012


\(^{321}\) Peel International Trade Centre website. Peel & Sam Wa. Accessed 16 January 2013
products; sound business integrity has won the trust of partners. Becoming one of the fastest
growth company in the industry.”

15.26 The ‘Our History’ section is even more curious, suggesting as it does that Sam Wa
has dabbled in everything and everything:

“1995: Established Pacific Win Holdings Ltd. Hong Kong.

1996: Established Hong Kong Evergreen Jewellery Subsidiary Co., was titled “Hong Kong Most
Outstanding Young Entrepreneur” in jewellery and beads jewellery industries, published in
Switzerland’s “World Jewellery Magazine”.

1997: Exported jewellery and beads to more than 20 countries worldwide, including Middle
East Countries, Turkey, Jordan, Egypt, Israel, Europe, America, South America, Africa, South Africa and Asian Countries...etc.

1998: Established a chain of 7 jewellery branches in Hong Kong

1999: Successfully established the first foreign representative office at American Banking
Centre in Liwan District, Guangzhou.

2000: Cooperation with overseas public-listed international corporations, including Carrefour,
Wal-Mart, Samsung, Tesco, Argos...etc. and established O.E.M. businesses.

2001: Successfully created own brands, including PLAYSONIC, TEMPY, REDSTAR,
CASALINDA, GRANDREAM...etc. exported worldwide.

2002: Authorized by Carrefour to produce REDSTAR 42-inch Plasma TV.

2003: British chain store Argos has authorized to produce PLAYSONIC DVD player.

2004: Investment planning with China’s top 10 real estate developer – Vanke Group for 120,000
m² Changzhou Trade City named Yanghu Plaza in Jiangsu Province.

2005: Appointed as sole supplier of Philippines Chromium Ores by an established smelting plant in
Tianjin, China.

2006: Appointed as sole supplier of Philippines Nickel Ores by an established smelting plant in
Guangxi, China.

2007: Signing of 10 years exclusive mining rights MOA for 640 hectares in the Southern
Philippines islands, which contained Chromium, Nickel, Manganese, Copper, Gold...etc.
mineral ores.

2008: Successfully exported 50,000 tons of Chromium, 800,000 tons of Nickel and exported to
main ports in China, including Fancheng port and Zhanjiang port of Guangxi, Lanshan
port, Rizhao port and Tianjin port of Shandong provinces.

2009: The group’s 10 years exclusive mining rights were successfully extended to 30 years until
2039.

2010: Headquarters in Yintai Centre, Beijing; Administrative office in Jiangyin, Jiangsu
province.”

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322 Sam Wa Group website: About. Accessed 1 February 2013
323 Sam Wa Group website: History. Accessed 7 January 2013
15.27 Global online searches for the Sam Wa group throw up very little information other than third party references. According to one business listing site, a Sam Wa Resources Holdings Limited and a Sam Wa Minerals Limited, for example, were both registered in Hong Kong as ‘local companies’, in 2007. A Sam Wa International Investment Group Ltd incorporated in Hong Kong in February 2012.

15.28 The British Chamber of Commerce in China has said:

“Peel’s partner is the Zhangyin based Sam Wa Minerals, who, although their primary business is mining, was keen to participate in the trade centre. The company has offered half the total investment and is currently lining up and/or screening potential tenants.”

15.29 Peel appears to have dealt exclusively with Sam Wa’s ‘President’ or ‘Chairman’, Stella Shiu (now a director of the UK partnership vehicle) and to a much lesser extent with its ‘man in the UK’, (or Overseas Business Manager) Birmingham-based Michael Chung.

15.30 Stella Shiu is not named on the Sam Wa group website. She does, however, have a ‘LinkedIn’ profile, her specialism described as investment management. Shiu has been variously described (in press releases and news coverage originating from Peel and/or Liverpool Vision) as a “Chinese businesswoman”, a “high-ranking member of the Chinese Government” and a “business leader”. Bizarrely, the Liverpool Daily Post saw fit to point out rather breathlessly, in May 2011, that: “So significant a figure is she in China that Ms Shiu is guarded by Kalashnikov-bearing bodyguards”.

15.31 In August 2010, Ms Shiu was photographed visiting a champion vegetable grower in Northamptonshire, one of a delegation of “Chinese politicians and business leaders” reportedly keen to learn more about producing oversize produce. According to a light-hearted article, the visit had been set up by “a Malaysian internationally trained chef and food artist based in Birmingham”. It was all a far cry from global mining and high finance.

15.32 Some Chinese nationals contributing to Liverpool-based forums have claimed that Ms Shiu is in fact a fairly recent bankrupt and that the Chinese Embassy have no knowledge of her as a ‘politician’. These allegations cannot be corroborated and are likely inaccurate. There is evidence, for example, that in her capacity as chair of another company (see below), Ms Shiu may work as an advisor to provincial government in China. Nevertheless, the fact remains that given her reported seniority and influence, there is remarkably little information on record about Ms Shiu, or references to her in the public domain.

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324 Hong Kong Companies website: Sam Wa International Investment Group Ltd. Accessed 05 February 2013
326 ‘Chinese businesswoman Stella Shiu behind £25m Wirral international trade centre plans’. Liverpool Daily Post. 17 May 2011
327 ‘Communist plot: China’s bid to grow world’s biggest vegetables with the help of British gardener’. Daily Mail. 1 August 2010
Press releases on the Chinese version of the Sam Wa Group website\(^{328}\) suggest she also goes by the name of Shaohan Xuan or Shao Hanxuan and is associated with (is in fact ‘chairman’ of) another Chinese conglomerate, the Sen Hua Group (or Hua Sen Group), also known as Sen China Resources Holdings:

“Zhejiang Materials Industry Senhua Group Co. Ltd founded in 2006, whose registration capital is 60 million Yuan (RMB), is the operator and agent of import-export business, industry investment, property management, information consultation, warehouse conveyance, etc, and deals with principle business of wood products trading. Under the lead and support of the government of Zhejiang Province and ZJIMI, Zhejiang Materials Industry Senhua Group Co. Ltd has been a rising star in domestic wood trading industry and achieved certain reputation and influence through 4 years’ exploring.\(^{329}\)

Sen China Resources Holdings appears to be a Government approved and/or backed company.

It has been implied that Sam Wa’s investment in the ITC project will total some £100 million.

“The £200 million ITC project will be a 50-50 equity partnership between Peel Holdings and the Sam Wa Minerals and is thought to be the biggest Chinese investment in a scheme of this type in the UK.\(^{330}\)

In light of this, it is interesting to note precisely what Ms Shiu committed to in public, when she spoke at a property event in Liverpool in March 2012:

“We feel very happy that Peel finally got planning permission this week for Liverpool Waters… For Sam Wa, hopefully this is the start of a long relationship in this region for further investment in other projects such as Liverpool Waters.”.../In China, there is massive interest from so many companies waiting to do business with the UK and work with the UK. Myself and my Sam Wa Group are in contact with many of them. My primary role at the International Trade Centre as part of the partnership with Peel is to seek out a high quality Chinese business to occupy the International Trade Centre and tenants for all phases…/Besides this, I have recognised a secondary role, which will be to identify other business opportunities in this region with Peel, such as Liverpool Waters and perhaps other infrastructure projects that either Sam Wa Group or other Chinese companies will want to invest in…/Today with Sam Wa Group hopefully we will bring Chinese investors, products, working opportunities and government organisations increasing into Liverpool…\(^{331}\)

Ms Shiu did not mention ‘hard cash’ - the commitment appeared to be to scout out tenants for the International Trade Centre.

A local press article published in early 2013, entitled ‘Interest growing in Wirral’s planned International Trade Centre’ - which began “Thousands of Chinese companies have said they are interested in moving into a planned international trade centre, its developer said today” – made passing reference to Sam Wa but did not mention Stella Shiu, despite the role she clearly outlined for herself in 2012.

\(^{328}\) Sam Wa Group website: News - ‘British Peel Group’. 9 May 2011


\(^{330}\) ‘Multimillion pound Wirral ITC deal signed in China’. Wirral News.30 May 2012

\(^{331}\) ‘Peel’s Chinese investors “hope for more projects”’. Place North West. 12 March 2012
15.37 All of this surely needs must raise questions about the credibility and credentials of a major partner – indeed, a supposed key facilitator - in the Wirral Waters scheme. Is Sam Wa able to deliver? Will local interests be served as well as Chinese interests? What kinds of risk assessment were undertaken as the partnership was firmed up? Has Wirral council independently checked Sam Wa's credentials?

15.38 Peel is very actively highlighting, via its Wirral Waters and Peel ITC websites, some of the distinct benefits deriving from site’s Enterprise Zone Status:

- Potentially 100% business rates discount for five years. This means that each business that qualifies will receive discounts for five years from the start of its occupancy in the Zone, providing it enters the Zone by April 2015 subject to a maximum cap of £275,000. This cap would typically be reached if an occupier took 1,000 square metres (10,000 square feet) of floor space.
- A simplified and improved planning regime replaces the old legislation which means more flexibility in terms of changes of use of floor space within the entire Peel ITC complex.
- The Government will support the provision of superfast broadband in these zones which is in addition to the £13 million investment by Wirral Government [sic] to improve existing Broadband facility.

The intention is, of course, to make the centre attractive to prospective tenants – and rightly so.

15.39 Tenancy will not come cheap, however. Annual costs start at around £25,000 before VAT but the rental tarrif is far from all-inclusive:

“If you require any of the following items for your individual trade showroom, these will be provided and paid for by your company:

- No suspended ceilings will be provided by the landlord. This will help facilitate the air flow necessary for ventilation. You will provide the electricity meter and all other electrical equipment and cabling to your own trade showroom.
- You will provide your own sprinkler system within your trade showroom and connect to the capped termination point.
- No cooling or air conditioning will be provided to any part of the building.
- No telecommunication system will be provided within the trade showrooms.
- Drainage is not available in any of the Trade Units.
- Water connections are not available in the Trade Units.
- No gas supply will be provided
- There will be no TV aerial system.
- You will provide your own dedicated security system inside your trade showroom.”

15.40 It is standard practice for utilities and communications not to be included in business tenancies, of course. Why water and drainage do not come as standard, however, is unclear – as is how this set up would not contravene health and safety law, unless these units are, literally, nothing but storage sheds. In which case staff will need to be based in more suitable office accommodation – presumably at further cost to the tenant. Note, too, that The Peel Group now has utilities and communications divisions. Whether future tenants’ use of these will be ‘optional’ is open to question, given the MediaCityUK experience (see section 9).

Despite all this, the commercial advantages to be enjoyed by foreign businesses at Peel ITC will potentially place them at a distinct advantage over UK companies.

Revelations made during an interview with the Chief Minister of the Isle of Man Government, who had discussions in 2012 with both John Whittaker and the Mayor of Liverpool, serve to reinforce this prospect:

“The Isle of Man is well placed to become a tax-neutral base for the importation of Chinese goods into the UK and Europe. That’s one of the ideas being explored as part of a new push to strengthen trade links between the island and the North West of England. Peel Holdings, headed by island resident John Whittaker, has plans to develop Liverpool docks as a hub for the importation of Chinese goods into the UK. And Chief Minister Allan Bell believes the Isle of Man has the potential to link in with this to provide the administrative and tax back up to the operation. At a time when the UK Government is focusing all its efforts on returning growth to the economy, it is crucial that we highlight the positive contribution we can make,” he said. He said he had ‘productive and practical’ discussions with Joe Anderson, Mayor of Liverpool, and Sir Richard Leese, leader of Manchester City Council, on how links between the island and political and business communities in the North West region could be strengthened. Mr Bell told the Examiner he believed that engagement with the North West has been one area the Manx government has neglected in the past and we could build on the links we have with significant investors in the North West like John Whittaker. He explained: ‘There is a potential for developing a more co-operative strategy. The Isle of Man could be seen as a support line to the North West economy. A number of areas are being considered at the moment including developing links with China to use the Isle of Man as a tax neutral base for the importation of goods in the UK and EU. Peel Holdings have plans to develop Liverpool docks as a strong competitor to the South Coast docks, with Liverpool becoming a hub for the importation of Chinese goods. That could mean the island getting administrative benefits.’ He said the leaders of both Liverpool and Manchester City Councils were ‘very keen’ to explore this further.

One observer pointed out that this didn’t quite stack up from the point of view of the Isle of Man:

“The goods are not coming here but to a ‘Tax free zone’ in Liverpool! This being the case, what can the IOM offer (in addition to further diminishing the UK manufacturing base) as why would anyone, other than the Chinese exporters, want to use an IOM company or base to save money? In the UK, the importer would not pay VAT until it leaves the Tax Free Area (and even then it would be offset against VAT due on sales) and the Chinese Government would not allow resident Chinese to export to an IOM company to avoid Chinese tax…

This comment speaks for itself. It is similarly unclear what is ‘in’ the deal for Wirral or the wider city region, other than physical regeneration (which is, of course, to be welcomed) and some ‘incidental’ commercial activity in the largely low-pay, low skill leisure and hospitality and retail sectors (shops, eateries, pubs and hotels, for example) servicing the trade centre. The clear winner would appear to be Peel, which can guarantee rents from wealthy Chinese businesses able and willing to pay high rents slightly offset by some taxation perks.

Equally questionable is a very recent decision taken by the Liverpool City Region Local Enterprise Partnership in respect of the Mersey Waters Enterprise Zone:

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334 Bell: How island can help Britain. Isle of Man Today. 10 October 2012
335 ibid
“The LEP Board is determined that the full economic benefits arising from the creation of the City Region’s Enterprise Zones be realised and that businesses already established are not merely displaced within the City Region into the new Zones to obtain proposed benefits such as Business Rate Relief.” The Board considered and approved recommendations for a Business Rate Relief Protocol to be applied to the Mersey Waters Enterprise Zone.336

That Peel is marketing the ITC to overseas, particularly Asian, companies is no secret. But this LEP decision suggests that local existing companies based within the City Region will be actively discouraged – if not outright prevented – from relocating into the Enterprise Zone and thus debarred from benefitting from the favourable business conditions on offer.

15.46 China is the world’s second largest economy and the world’s largest exporter. It is reportedly the UK’s biggest trading partner outside the EU and the US. China’s export sector is struggling, however; “losing speed faster than expected”. Its main export trade is in “electrical goods and other machinery, including data processing equipment, apparel, textiles, iron and steel, optical and medical equipment”337 and its main export partners are currently the US, Hong Kong, Japan, South Korea and Germany. Note that Sam Wa appears to trade in a number of these products.

15.47 However, “demand for Chinese products has been falling in some of its biggest markets” and export growth slowed in 2012 (as did its import growth, in fact). As one commentator put it:

“Trade data has come in dramatically below expectations … highlighting the risk that the external environment poses to an economy in the midst of a rapid internal slowdown.”338

15.48 Enter the Peel International Trade Centre, which will facilitate the import and onward export of foreign goods made in China. The agreement signed in Beijing in 2012 was all about supporting China’s export sector:

“The … development … is aimed at enabling … companies from China, India, South Korea and other emerging economies to exhibit, sell, assemble and distribute their goods into the UK … The timing of this project is excellent as Chinese businesses are being encouraged by our government to move out and invest overseas.”339

15.49 The UK Government is keen – indeed, desperate - to promote international trade:

“It is the UK national interest to ensure Britain and British firms can take advantage of the opportunities for future prosperity through bilateral trade and investment in partnership for the emerging powers.”340

and:

“In November 2010, the Prime Minister and the Premier Wen agreed to a target of doubling the value of bilateral trade to $100 billion a year by 2015.”341

336 Liverpool City Region Local Enterprise Partnership. Board Update. January 2013
338 ‘China export and import growth slow sharply in July’ quoting Alistair Thornton of HIS Global Insight in Beijing. BBC News. 10 August 2012
15.50 It is particularly keen to promote commercial links with China, as one of the BRIC economies:

“China’s explosive re-emergence as a global economic force has already brought significant benefits. The UK is a top EU investor in China and recipient of Chinese inward investment. The next decade or two could see a dramatic acceleration in China’s development as domestic consumption increases further and Chinese companies increase their international activity. Moreover, Chinese policies are critical for sustainable, low carbon, global economic growth, security and international development.”

15.51 However, although it is the world’s third largest importer, China does not really ‘do’ UK imports – the UK share of China’s goods imports reportedly fell from 1.8% in 1999 to 0.9% in 2009. It accounted for only 2.4% of UK exports of goods in the same year.

15.52 Moreover, “many foreign companies [doing business in China] find the business environment challenging … Some commentators believe that the foreign business environment in China has deteriorated in recent years. Many foreign companies seeking to operate successfully in China’s domestic market now find themselves competing against increasingly capable Chinese exporters in international markets.”

15.53 In addition to all of this, the trickiness of political and diplomatic relations with China constantly threatens to unsettle trade links. Just last month – February 2013 – a Sunday broadsheet ran a front page article about “deteriorating relations with China” and the damage this could do to UK-China trade relations. In short, China is a risky and unpredictable business bedfellow – and is likely to be for the foreseeable future.

15.54 The point has been made that China can already have its cake and eat it:

“China can export to us as if it were any EU country without any of the imposed costs or loss of sovereignty involved in joining the EU - they get all the benefits but none of the disbenefits. It’s actually worse than that since importers from China can be tax-free by passing their purchase paperwork through a tax-haven intermediary – they can adjust their transfer pricing so the profits are made in the BVI or wherever instead of the UK. So Chinese goods become duty free and tax free.”

Some of these arguments are worthy of exploration in light of the trading (including taxation) advantages being offered by Peel via the ITC.

15.55 The upshot of all of this is that there currently exists little bilateral – that is, truly ‘two way’ - trade between the UK and China. Peel’s International Trade Centre, by acting as a gateway to Europe for Chinese exports – looks set to reinforce this. Benefits to
the local economy will, it seems, be incidental and limited, once the construction phases are complete.

15.56 Bedazzled by promises of physical regeneration on the Wirral side of the Mersey, no one in any position of authority appears to have questioned or challenged the wisdom of acting as a grandiose conduit for the import and export of foreign goods, or upon offering preferential tenancy deals to overseas businesses (rather than, say, local SMEs). Thorough scrutiny may validate all of Peel's claims and promises – but in the absence of such scrutiny, one can only speculate.
Liverpool Waters

16.1 Liverpool Waters, Peel’s most ambitious single project to date, has been over six years in the planning and promoting. In an uncharacteristically long and somewhat rambling statement published on the Peel website in early 2010, Development Director Lindsey Ashworth adopted a distinctly earnest, semi-nostalgic tone as he described its genesis and appealed for public understanding on the difficulties and challenges faced by Peel in pursuit of its “vision” for the Liverpool waterfront.346

16.2 It is, in a nutshell, a major regeneration and development (or ‘urban renewal’) scheme for an extensive stretch (150 acres) of the Liverpool dock estate, which has long been a largely derelict urban wasteland. The Mayor for Liverpool is its biggest cheerleader:

“The Liverpool Waters scheme promises us that future in so many ways. It promises us a future where the northern banks of the Mersey are turned from derelict sites into spectacular developments. It’s a future of jobs and training, and where people living in one of the most deprived parts of the country are given a chance to work and learn skills. And it’s a future where Liverpool as a city can offer the world biggest businesses the facilities and infrastructure they need to base their operations here, powering our economy for years to come.”347

16.3 Plans for the original scheme were unveiled in early 2007, with Peel stating it would submit an outline planning application to Liverpool City council “within the next 12 months”. Peel’s original “visionary scheme” was promoted as follows:

“Liverpool Waters will see a £5.5bn investment in a 150 acre site that stretches from Princes Dock in the South to Bramley Moore Dock in the North. The 21 million square foot scheme will see the creation of a world class mixed use iconic development of over 50 buildings, many over 50 storeys high … Peel has the vision, the resources and the expertise to deliver. The development would create more than 17,000 permanent new jobs with tens of thousands of additional construction jobs and indirect jobs, bringing a massive boost to the area, similar to what has successfully been implemented at Liverpool John Lennon Airport and The Trafford Centre”.348

This new “international waterside destination” would “rival cities such as Dubai, Vancouver, New York and Shanghai”.

16.4 Highlights of the scheme as detailed by Peel in March 2007 were:

- Iconic tall buildings many over 50 storeys high that will reach for the skies
- Self-sufficient buildings some generating power through wind turbines incorporated into the building design
- The Jesse Hartley historic clock tower at Salisbury Dock will be restored and framed by two stunning skyscrapers
- A monorail for the City, with the potential to connect to John Lennon Airport
- 23,000 new homes

346 ‘Lindsey Ashworth Liverpool Waters Statement’. Liverpool Waters website. 3 February 2010
348 ‘Peel unveil plans for £5.5 billion “Liverpool Waters” scheme’. Peel Group press release. 6 March 2007
• 4 hotels
• A natural extension of the City Centre area
• The creation of a new marina and animation of the water bringing different levels and types of activity
• A new promenade and bridges across the water
• An additional cruise liner terminal – arriving passengers will be attracted to the magnificent waterfronts on both sides of the water boosting the local economy
• The creation of public spaces for people to enjoy – buzzing 24 hour environments
• A unique ambience full of character never seen in the city until now

16.5 The original proposals revolved around a centrepiece ‘Shanghai Tower’, “the North West’s tallest tower and tallest outside of London”. This 60-storey waterfront building would house Liverpool’s first five star hotel and accommodate “high quality office space” and “beautiful apartments” with stunning views. “Bars, restaurants and many other leisure facilities will also be included to provide something for everybody”. The Tower would “also boast a heli-pad on the roof and underwater basement car parking.” The then leader of Liverpool City Council, Cllr Warren Bradley was impressed and in September 2008, urged Peel to get things moving: “hopefully over the next couple of months a tower planning application will go in to start the scheme”. 350

16.6 As early as this, Peel was reportedly displaying ‘heavy-handed’ behaviour and attempting to ‘call the shots’:

“Bradley was responding to reports that Peel’s development director Lindsey Ashworth has threatened to withdraw from the entire £10bn 120 acre Liverpool Waters scheme in the north docks if it is called in for a planning application. Peel also wants to see a new planning authority devised to handle the scheme and the wider Ocean Gateway, £50bn programme of investment, along the Mersey and Manchester Ship Canal.” 351

16.7 In the event, Peel took over three years of “public consultation and master plan work” to submit an application for outline planning consent. In the meantime, between March 2007 and October 2010, it focused (successfully) upon securing the Wirral Waters development. The Group also engaged in ‘discussion’ with a wide range of parties and agencies about its plans, as awareness and concern began to mount about the scale and nature of the Liverpool Waters scheme.

16.8 Peel’s application ‘bundle’ included a document which outlined how the conglomerate had engaged with the Liverpool community during the design and planning process. 353 At the end of January 2010, the conglomerate took over a small shop in Liverpool City Centre to hold a two-day “community consultation event”. It was in fact an opportunity to unveil a much-revamped version of the scheme. By all accounts, the ‘consultation’ was poorly attended.

349 ‘Peel unveil plans for the North West’s tallest building at Liverpool Waters’. Liverpool Waters news release. 26 July 2007
350 ‘Bradley calls for Peel to submit Shanghai Tower Plans’. Place North West. 10 September 2008
351 Ibid
16.9 Throughout this period, respected agencies, - all publicly funded and publicly accountable agencies; some of them statutory advisors to government - objected noisily to Peel's proposals on various grounds. They included English Heritage, the Commission for Architecture and the Built Environment (Cabe) and Unesco. It does not fall within the scope of this work to describe and discuss at length their respective issues with the plans – suffice to say they brought an element of expert, objective scrutiny to proceedings and were singularly unimpressed by Peel’s proposals.

**FIG 10: Liverpool Waters to Tokenhouse Limited – Organogram**
16.10 Peel initially collaborated with these bodies, with a view to working out ‘compromise’ solutions that would allay their concerns. Increasingly, however, Peel executives gave them short shrift, clearly running out of patience as its self-imposed application deadline drew near. By mid October 2010, an irritated director of investment for Peel Holdings reportedly said that his organisation had had enough of consultation and would “not bow to any more pressure from heritage groups.” He was quoted as saying:

“I am not making any more major changes. I have done what I think is reasonable.”

16.11 Later that month, Peel’s revised plans were ready to go and an outline planning application was submitted to Liverpool City Council. Peel assured onlookers:

“there will be a second round of stakeholder consultation in the Spring, in advance of the Liverpool Waters proposals going before Planning Committee in the Summer. In the coming weeks Peel will be undertaking a series of stakeholder outreach events in order to present the Liverpool Waters scheme to the local business community and other stakeholders.”

16.12 It took a little longer than promised but in late January and early February 2011 Peel did hold two further public events – though these were essentially presentations rather than consultation exercises.

16.13 Peel’s scaled-back or ‘modified’ plans have the same footprint as the originals. There are “now just ten groups of tall buildings between Princes and Clarence Docks” and “the number of tall buildings is lower than was planned in 2007, with the group at Clarence Dock being reduced from 15 to seven towers” Gone are the Shanghai Tower and the monorail of the first set of proposals.

16.14 The 1.3m square metre development now comprises: office space, residential space, hotel and conference facilities, comparison retailing, convenience retailing, financial and professional services, restaurants and cafes, drinking establishments, non residential institutions, assembly and leisure, cruise liner terminal and energy centre and ‘servicing’. Peel aspires to create a ‘community’ from scratch.

16.15 50 storey skyscrapers remain, however. Some of these will stand three times as high as the Three Graces. Like or loathe the plans, they represent a very radical re-shaping of what has always been a long, ‘low-rise’ waterfront. Peel says:

“(W)ithout tall buildings, it is difficult to see how the numbers of jobs and new homes and the increased activity needed to transform the site can be created. Tall buildings are also beacons of regeneration, symbols of success. They inspire investment confidence. We think they are essential for Wirral Waters and Liverpool Waters.”

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354 ‘Liverpool Waters developer Peel Holdings refuses to make any more changes for heritage group’. Liverpool Daily Post. 13 September 2010
355 ibid
356 ‘Peel submit Liverpool Waters planning application via the Planning Portal’. Peel Group news release. 17 January 2011
16.16 Unesco World Heritage refused to approve the amended plans, following a ‘Mission’ visit to the city in November 2011:

“We conclude if the proposed Liverpool Waters scheme, as outlined, would be implemented, the World Heritage property would be irreversibly damaged, due to a serious deterioration of its architectural and town-planning coherence, a serious loss of historic authenticity, and an important loss of cultural significance.” 359

The organisation said it would “not support the Liverpool Waters scheme in its current outline, as it will be developed at the expense of the city’s heritage and Outstanding Universal Value”. 360 The message was clear: the city risked losing its World Heritage Status unless Unesco’s concerns were adequately addressed.

16.17 In response, the then leader of Liverpool City Council – now mayor – made conciliatory noises but lent his support to Peel: “Peel have already made significant alterations to their proposals since drawing up the original plans”. 361 The BBC, reporting on the issue, advised that Peel had declined to comment. 362

16.18 The Government’s architecture advisors CABE (Commission for Architecture and the Built Environment) said the Masterplan was “weakly expressed” and that it “would not ensure that well-designed buildings were erected throughout the 30-year lifespan of the Peel Holdings project”. A scathing report published in December 2011 concluded:

“We do not yet have the confidence that the parameters will provide a sound basis by which to control design quality across the Liverpool Waters site... The outline planning application does not make clear how Liverpool Waters will achieve truly sustainable economic development ... Generic statements, such as ‘buildings will generally face south’ are not helpful and given little confidence that this has been considered as fully as it needs to be.” 363

16.19 In February 2012 English Heritage, which had been in tense talks with Peel for four years, wrote to Liverpool City Council outlining a range of concerns and urging the key parties to find a compromise “that does not mean the city will lose its world heritage status”. The organisation accused the city council of “significantly downplaying the adverse impacts of the developments on Liverpool’s outstanding heritage.” The team leader for the North West wrote:

“Harm to the historic environment can be justified under national policy, but the public benefits delivered by this development would have to be very substantial to outweigh the level of harm that we have identified. It is for the decision-maker to make that final balancing judgement, but we believe that the harm is so serious and the heritage assets are so important that central Government ought to consider whether the matter should be called-in for its own determination.” 364

359 ‘Mission report, Liverpool (C1150), 14-16 November 2011’. UNESCO
360 ibid
361 ‘Unesco tells city to think again over Liverpool Waters’. Liverpool Confidential. 25 January 2012.
363 Design Council. CABE Design Review. 8 December 2011
364 English Heritage Advice: Consultation on Application under Town and Country Planning Act 1990. 21 February 2012
16.20 On the 5 March 2012, the eve of Liverpool Council’s planning decision, independent mayoral candidate Liam Fogarty wrote a letter to the Secretary of State for Communities and Local Government. It is worth quoting in full:

“Tomorrow, Tuesday March 6th, the Planning Committee of Liverpool City Council will consider whether to grant planning permission to the huge Liverpool Waters scheme in the city’s northern docksland. Council officers are recommending that permission is given for site owners, Peel Holdings, to develop the first phase of the project to be built between now and 2016. You will be aware that the scheme is highly controversial both because of its scale (described by council officers as “unprecedented” and “beyond living experience”) and its proximity to the Liverpool Waterfront World Heritage Site (WHS). Putting arguments about the possible threat to WHS status to one side, it is clear that the scheme proposed by Peel is indeed of international significance and could change the face of Liverpool for generations. It is our civic leaders’ duty not to be dazzled by developer “hype” or tempted to ignore the scheme’s shortcomings in order to approve something - anything - on such a derelict site. I believe that Liverpool Waters - and its sister scheme in Wirral - represent an outdated model of global property development that was discredited once the credit crunch began to bite. Notions of building not just a “Dubai” but an “Abu Dhabi” on either side of the River Mersey are surely fanciful. And the architectural quality of what is being proposed is, to put it mildly, debatable. English Heritage, CABE and Civic Voice have been highly critical of what’s being proposed. For my part, I believe that Peel's plans for Liverpool Waters are mediocre and soulless. Liverpool is proud of its heritage of outstanding architecture. With Liverpool Waters we shouldn't be afraid to insist on the highest standards of design and sustainability, even if our Council won't. If, as expected, Peel's application is approved then I would urge you to call in the scheme and subject it to a public enquiry.”

16.21 Despite the widespread concern and objections raised – and as had been fully expected - Liverpool City Council Planning Committee went ahead and granted outline planning consent (subject to certain conditions relating to timescales, building height and the phasing of the work) on 6 March 2012. The decision was reportedly unanimous, following a much-hyped day of consideration. A two-hour ‘site visit’, for example, was streamed live online by the local press. The soon-to-be elected mayor acknowledged that this was the biggest planning application the Council had ever seen - yet just one day was given over by a planning committee of ten to its formal consideration. It was, it seemed, essentially a rubber-stamping exercise.

16.22 Further strong objections continued to stream in, particularly from the heritage lobby. Criticism was not limited to heritage concerns, however. English Heritage, for example, reportedly described the affordable housing conditions attached to the scheme’s approval as “muddled, badly drafted and insufficiently precise” and “left developer Peel with a ‘get out clause’ not to build affordable properties.”

16.23 As had been forewarned, in June 2012 Unesco decided to place Liverpool on the List of World Heritage in Danger sites. This first potential step on the way towards complete withdrawal of World Heritage Status provoked national comment, discussion and debate. One Sunday broadsheet carried a long review of the Liverpool Waters plan in its ‘Art and Design: Architecture’ section, concluding: ‘If it goes ahead, the multi-billion pound Liverpool Waters scheme will destroy the city’s

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365 Liam Fogarty Letter to Rt Hon Eric Pickles MP. 5 March 2012
366 “Liverpool Waters plans given go ahead by city planners”. Liverpool Echo. 19 September 2012
368 UNESCO’s waterfront warning: an empty threat?” Planning Magazine. 21 September 2012
Its weekday sister ran a 'Liverpudlian' rebuttal, which was firmly in favour of giving the Liverpool Waters scheme a chance – largely on the grounds that no one else had come up with any better suggestions for the area.\(^{370}\) Both pieces attracted much online comment in response – resulting in far broader and rounder debate on the matter, nationally, than took place at any time in Liverpool.

16.24 Following the initial planning consent granted in March 2012, Peel changed little other than that which was required by (the very accommodating) Liverpool City Council. The Council became increasingly impatient in the face of further objections. Mayor Joe Anderson was “dismissive” of others’ concerns, inferring objectors were anti-progress: “We do not live in the past. We are not a museum.”\(^{371}\) In late 2012 he wrote:

“World Heritage Status is nice to have. But anyone who thinks I’m going to put it before building a sustainable future for our city should think again.”\(^{372}\)

16.25 The Council’s Head of Planning, who recommended approval, was reported as believing that the revised conditions provided an: 

“appropriate framework for managing and guiding development within the Liverpool Waters site … Where amendments have been made to the previous conditions these changes bring greater clarity and do not undermine the basis upon which the application was considered by Members to be acceptable. The conditions and legal agreement continue to provide a robust range of control measures”.\(^{373}\)

16.26 Questions were raised about the length of time it took Peel and Liverpool Council to revise the plans and conditions (particularly given the ‘unseemly haste’ with which the original application had been processed through the Council). Finally, on 18 September 2012, the local authority’s Planning Committee re-affirmed its planning consent and announced the scheme would be passed on to Central Government. As the mayor rightly said, it was a landmark occasion:

“Today’s decision to grant planning permission for Liverpool Waters is one of the most significant and far-reaching made in Liverpool’s recent history.”\(^{374}\)

16.27 The paperwork was finally submitted in October 2012 and Peel and Liverpool City Council then awaited the Communities Secretary’s decision on whether to initiate a public inquiry or to give the scheme the go-ahead. His decision was imminent during the preparation of this report. As early as July 2011, Peel was confident the application would be nodded through:

“I don’t think it will go to a public inquiry because we have made enough concessions and it overwhelmingly improves what is there.”\(^{375}\)

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369 ‘Liverpool Waters – Review’. The Observer. 6 May 2012
371 ‘Liverpool Steams ahead with development plan’. Financial Times. 11 March 2012
373 £5.5bn Liverpool Waters Skyscraper Project by Peel Holdings to Get New Approval’. Liverpool Echo. 18 September 2012
374 ‘Liverpool Waters skyscraper plans get council go-ahead despite heritage fears’. The Guardian. 6 March 2012
375
FIG 11: Liverpool Waters – ‘Ownership’ Flowchart

Plans for Liverpool Waters were submitted by Peel Land and Property (Ports) Ltd. The flowchart shows the ‘ownership chain’, the arrows denoting the immediate parent or controlling company in each case.

Net Worth | Total Assets | Company Name
----------|-------------|---------------------
£106,774,000 | £108,440,000 | Peel Land and Property (Ports) Limited

£210,920,000 | £474,292,000 | Peel Land Holdings Limited

£566,827,000 | £1,062,581,000 | Peel Investments (UK) Limited

£566,536,192 | £937,232,291 | Peel Land and Property Limited

£520,225,000 | £1,636,531,000 | Peel Holdings (Land and Property) Limited

£561,263,000 | £1,584,493,000 | Peel Holdings Land and Property (UK) Limited

Net Worth | Total Assets | Company Name
----------|-------------|---------------------
Unknown | £2,178,629,760 | Peel Holdings Limited (Registered in the Isle of Man)

Net Worth | Total Assets | Company Name
----------|-------------|---------------------
Unknown | £14,173,299,563 | Tokenhouse Limited (Registered in the Isle of Man)

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375 ‘Peel and Liverpool council hit back at Unesco over Liverpool Waters threat to World Heritage Site status’. Liverpool Daily Post. 13 July 2011
This comment from Lindsey Ashworth, who had already displayed a rather off-hand attitude towards due process, missed the point of a public inquiry.

16.28 It also overlooked the fact that English Heritage acts (in theory at least) as a statutory advisory body to both Liverpool Council and to the Government. Its highly critical paper produced in September 2012 and formal letter sent to Liverpool City Council’s planning and building control unit have been cited previously. There is good reason to think that English Heritage’s position “potentially increases the chances of the Government ordering a public inquiry”.376

16.29 English Heritage is in fact a quango funded by and responsible to the Department for Culture, Media and Sport (DCMS), which in turn “is responsible for the UK’s general compliance with the United Nations Educational, Scientific and Cultural Organisation’s (UNESCO World Heritage Convention”.377 The DCMS may not be as ready as the Department for Communities and Local Government (or indeed Liverpool City Council) to ‘lose face’ over the potential loss of the city’s world heritage status – particularly given that it was the DCMS, not the local authority, that nominated the city for World Heritage Status in the first place.

16.30 It has been alleged that the Liverpool Waters planning application was, unnecessarily, rushed through the Council planning process. As previously described, original planning permission was granted in a day, the matter classed as “urgent business” on the Planning Committee agenda. The Council then took some six months, however, to submit the paperwork to the Secretary of State for Communities and Local Government. When this was commented upon, the Mayor told the local press:

“It’s taken several months of negotiation and discussion with Peel to secure the conditions agreed at the planning committee earlier this year. This is the biggest planning application that the City Council has ever considered, running to thousands of pages. It has been extremely important to get the detail of the conditions right before submitting the application to Government”378

16.31 In the interim, a trickle of announcements relating to job creation and local opportunity, kept the subject in the public eye and put a decidedly positive spin on what Peel aspired to deliver. In short, the time was used to ‘market’ the scheme to a public desperate for ‘good news’ about local economic recovery.

16.32 The timeframe for the project is unprecedented. Liverpool Waters has been variously described as a 30, 40 and 50 year scheme. Peel describes it as “a 30 to 40 year vision”. The reality is that no-one can really know how long completion will take. Moreover, it is nigh on impossible to project ahead decades, economically and politically, given the nature of economic and political cycles and the huge shifts in

376 ‘Peel’s Liverpool Waters faces strongest attack yet’. Liverpool Confidential. 11 September 2012.
378 ‘£5.5bn Liverpool Waters scheme sent to Government for public inquiry verdict’. Liverpool Echo. 6 October 2012
public policy and strategic direction likely to take place over decades. This matters tremendously, in the opinion of some commentators:

“Peel’s plans stretch ahead for decades – who knows what will be the case in 40 years time? The question is: what happens when its ownership is passed or sold on? Those decisions are not those of Merseysiders but of big money people based in London or overseas. What price, then, is accountability – and to whom?”379

16.33 The protracted timeframe means the present generation of decision makers and developers will not – cannot - be held to account. Indeed, many of them will have shuffled off this mortal coil by the time the bulk of the scheme comes to fruition. This means future generations will be stuck with the final outcome, for good or bad. All of this raises an interesting question relating to a radical school of thought that would suggest such long-term infrastructure development is inherently undemocratic, if democracy is taken to be about communities determining their own fates, environments and lifestyles.

16.34 Moreover, the provisional timeframe was predicated upon certain assumptions that already have proven to be some way off the mark:

“It is anticipated that the first phases of Liverpool Waters will begin detail design in 2012, by which time it is expected that the economy will be well into recovery.”380

16.35 On the question of timescale it is worth noting the contents of a letter written by John Whittaker, in his capacity as chairman of Peel Holdings, to the Leader of the Liberal Democrat opposition on Liverpool City Council in late summer 2012. This is quoted in full later but Mr Whittaker acknowledges that (largely due to external factors) a fixed timeline is an impossibility.

16.36 Peel has been repeatedly accused of ‘corporate bullying’ – or at least throwing its weight around. As mentioned earlier in this section, in September 2008 Warren Bradley responded “to reports that Peel’s development director Lindsey Ashworth has threatened to withdraw from the entire £100bn, 120-acre Liverpool Waters scheme in the north docks if it is called in for a planning application”381. In March 2012, “[a]sked what would happen if it called [a public inquiry], Lindsey Ashworth, development director of Peel, has a simple answer. ‘That’s it. We will go and spend our money somewhere else.’”382

16.37 A conversational comment piece written by a local journalist in early 2012 discussed the issue of corporate bullying:

“Liverpool Waters is a mouth-watering development any area would die for, hopefully making our cocky neighbour Manchester green with envy. The complication of its being at the epicentre of a Unesco World Heritage Site is an issue. We freely entered into an agreement to care for the Outstanding Universal Value of the WHS, and it is impossible to see how that Scout's honour promise can sit comfortably with what is the biggest development plan

379 'The increasing concentration of power on Merseyside'. Liverpool Echo. 6 March 2012
381 'Bradley calls for Peel to submit Shanghai Tower plans’. Place North West. 10 September 2008
382 'Liverpool Steams Ahead with Development Plan'. Financial Times. 11 March 2012
anywhere in the UK so far this century. We can't turn our backs on a massive scheme, capable of delivering thousands of new jobs, just because we are the custodians of a defunct 18th century dock system. I'm not an architect, but how can anybody say Liverpool Waters will not impact on the OUV of the World Heritage Site? Maybe Liverpool has to take a pot [shot], and hope the council, Peel and Unesco will see eye to eye. As the report, somewhere within its 500-plus pages, points out, Liverpool is not a museum. Yet I feel uncomfortable with the proclamation from Peel. In stark, no-punches-pulled, straight talking, Peel says if the city fails to approve the Liverpool Waters plan, or if the government calls it in for a public inquiry, the developer will simply abandon its plan and walk away. I'm tempted to say if I was a politician and I heard that gun-to-my-head threat, I'd want to say “tatty-bye then”. We live in a democracy where there are proper procedures and a trusted mechanism to decide such matters. We are not a banana republic where officials willingly and happily rubber stamp things to suit big business.

16.38 From the outset, it has been widely broadcast that the project will cost in the region of £5.5bn over its lifetime. The Peel Group’s Liverpool Waters website elaborates on the financials:

“Peel intends to invest approximately £6bn into the Liverpool Waterways project over the next 30 to 40 years. This will be sourced in a variety of ways such as through partnerships, bank finance and even sales of some land. However, before finance can be arranged new markets for attracting investment must be created as these do not exist at present. Peel is working with the City Council and other agencies to seek the assistance of some public funding albeit that not much is around to help to create these markets. An example would be through investment in transport improvements or public realm enhancements. Peel is also investing heavily in the planning and design process and has already spent significant sums to date in researching and development its proposals.”

Peel also says:

“Directly, Liverpool Waters will cost the taxpayer virtually nothing. It is largely being financed by Peel, and most of the public funds that are available come from the Government and the EU, and would be spent in other areas if they are not secured for the scheme.”

As stated earlier, this is a somewhat fallacious statement – objectionable if intended, alarming if unintended. Where do Peel propose Government and EU funds come from?

16.39 Note, too, that Peel is counting on the public purse contributing ‘in kind’, if not in cash, to its project:

“Peel is working with the City Council and other agencies to seek the assistance of some public funding albeit that not much is around to help create these markets. An example would be through investment in transport improvements or public realm enhancements.”

16.40 The Group claims to be extremely relaxed about the current recession:

383 “Let’s await the outcome, without fear, favour or bully-boy threats”. Liverpool Confidential. 28 February 2012
386 ibid
“Liverpool Waters is a 30 to 40 year vision and, based upon economic cycles over the past few decades, will likely pass through a number of economic downturns. With regard to the current economic downturn we are now slowly creeping out of recession. It is anticipated that the first phases of Liverpool Waters will begin detail design in 2012, by which time it is expected that the economy will be well into recovery. Although we are now in a period of uncertainty due to the ‘credit crunch’, the wider economy is stabilising and the Liverpool/Wirral economy will only grow in the longer term.”

16.41 In late 2008, the Mersey Heartlands Partnership, comprising Liverpool and Wirral Councils and Peel Holdings Limited, secured £6.3m of public funding to create new private and social housing schemes from the then-government’s Growth Point initiative. It was clear where the money was heading: “In Liverpool, the money will be mainly focused on the four north wards of Liverpool – Anfield, Everton, County and Kirkdale – plus the Peel Liverpool Waters site. In Wirral, the funding will be invested in a range of projects supporting the £4.5bn Wirral Waters project.”

16.42 In his March 2011 Budget the Chancellor announced that Liverpool would play host to a government-designated enterprise zone. He summarised the ‘perks’ attached:

Businesses will get up to 100% discount on rates, new superfast broadband and the potential to use enhanced capital allowances in zones where there is a strong focus on manufacturing. In return for radically reduced planning restrictions, we will let local authorities keep a business rate growth in their zone for a period of at least 25 years to spend on development priorities.

It was also reported that “enhanced capital allowances for plant and machinery will be considered, while UK Trade and Investment will support inward investment or trade opportunities in the areas”.

16.43 Liverpool Waters and Wirral Waters combined form ‘Peel Waters’. This is one and the same thing as Mersey Waters, which was the Liverpool area granted Enterprise Zone status. Peel Waters is the ‘brand name’ and Mersey Waters is the Government-designated Enterprise Zone. Peel has developed a Mersey Waters Enterprise Zone website: its address is www.peelez.co.uk.

16.44 The Mersey Waters Enterprise Zone was discussed at a meeting of the Liverpool City Region Local Enterprise Partnership on 17 January 2013. The LEP board’s decision was mentioned earlier (see 15.45) but is copied below for ease of reference and for emphasis – because we believe it is very significant:

“The LEP Board is determined that the full economic benefits arising from the creation of the City Region’s Enterprise Zones will be realised and that businesses already established are not merely displaced within the City Region into the new Zones to obtain proposed benefits such as Business Rate Relief. / The Board considered and approved recommendations for a Business Rate Relief Protocol to be applied to the Mersey Waters Enterprise Zone.”

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387 ibid
389 Financial Statement - Chancellor of the Exchequer. Hansard Column 951. 23 March 2011
390 ‘Budget 2011 Liverpool to get one of 10 Enterprise Zones’. Liverpool Daily Post. 23 March 2011
This seems to suggest a) that the LEP Board (with disproportionate Peel representation) will decide which businesses can and cannot operate within Wirral and Liverpool Waters and b) that local businesses will not be permitted to relocate there.

16.45 In April 2012 – just a month after the Liverpool Waters scheme had been granted the green light by Liverpool City Council – the local press reported that a “deal” had been signed between the local authority and Peel Holdings “to ensure the 17,000 jobs to be created by the Liverpool Waters scheme go to local workers”\(^\text{392}\). The Council leader (now the mayor) reportedly said:

“I have worked hard to get this important jobs deal for the city … This unique agreement means thousands of Liverpool people will get the opportunity to work on this massive construction project. It will help tackle long term unemployment and offer real jobs and training for young people. It’s a fantastic deal.”\(^\text{393}\)

16.46 The (undated) press release issued about this on the Council-owned Liverpool Vision website and the ‘story’ that appeared in the local press were identical, suggesting a less than rigorous approach, on the part of the local press, to sourcing and checking ‘news’. The local newspaper essentially did Liverpool City Council’s PR for them.

16.47 Said “deal” was in fact struck (unlike some of the agreements reached in Salford) under the Council’s Section 106 powers, which have traditionally been used during planning processes to ensure developers contribute to infrastructure development and improvements in and around the areas they wish to build in.

16.48 Claiming to want to benefit the most deprived communities in the city, this agreement went so far as to narrow the focus to just four wards in the north of the city – Kirkdale, County, Anfield and Everton. Nothing was said in the conditional. “This will [not “could”] ensure those communities that need it the most will [not “might”] benefit from the 17,000 direct construction and end-user jobs created by Liverpool Waters,” said Cllr Anderson at the time.

16.49 It struck some observers as odd that the Council and Peel would jointly offer guaranteed promises of jobs for local people and opportunities for local businesses. EU competition, monopoly and equality and discrimination law, in combination, make it virtually impossible for this kind of ‘positive discrimination’ to take place.

16.50 What is more, the headlined claims were plain wrong. The document relating to the “deal”, in so far as it details exactly what Peel signed up to, is revealing. It is carefully worded – the devil, as always, is in the detail – and is written in part in the conditional (ie: what will happen subject to certain conditions). Peel gave no cast iron guarantees – it made a commitment to using “reasonable endeavours to seek to achieve”. In short, it promised merely to try to deliver upon its ‘promises’:

5. The Applicant will use reasonable endeavours to seek to achieve the following targets:

\(^{392}\)‘Deal ensures Liverpool Waters construction jobs will go to local workers’. Liverpool Daily Post. 12 April 2012

\(^{393}\)ibid
(i) all new entrants should account for between 10% and 15% of all staff

(ii) 10% of all construction and operational employees should be residents of the North Liverpool Priority Wards

(iii) 30% of the value of all subcontracts supply and service contracts will be awarded to suppliers that are located in the City Region provided always that suitable and competitive firms can be identified provided always that suitable new entrants employees and firms are available within the requisite areas as above

(iv) each subcontract and supply contract to include a minimum of two firms from a list held by Construction Liverpool/Liverpool in Work (or other source from Liverpool City Council) where suitable firms exist.  

16.51 The reality is this: Peel will attempt to ensure that 10% of the jobs created will go to local people – that’s 1,700 out of 17,000. It will also attempt to ensure that 30% of tenders will go to local companies – virtually impossible to calculate/measure/track. The conglomerate – quite correctly - made no promises and gave no guarantees. This was not made clear to the general public.

16.52 The local press began to realise this, as evidenced by a piece that ran locally in June 2012 with a somewhat different (and rather more negative) spin on the subject: “Just one in 10 of the jobs created by the Liverpool Waters scheme are earmarked for people living in the poorest areas of the city”.  

16.53 Liverpool mayor Joe Anderson, caught unawares, said; “These figures have not been run past me. It will be more”. This was a claim he was simply not in a position, then or now, to make. He also told the local press:

“We are sending a clear message to every developer that we will be expecting them to deliver local jobs. Peel just happen to be the first one, but every developer will be asked to do the same thing.”

16.54 An article published in September 2010 suggested that Liverpool Waters would create “more than 25,000 jobs”. By June 2012, the total number of jobs attached to the project had apparently been scaled down to 14,000. Another piece written in October 2012 suggested the scheme “has the potential to create more than 20,000 jobs”. Figures of 14,000, 17,000, 20,000 and 25,000 have been variously circulated by Peel, Liverpool Council officials and (second-hand) by the local media. A margin of 11,000, suggests a remarkable disregard for precision. Peel’s original planning application suggests something in the region of 14,600 jobs. Divided by 30 years (the shortest time frame mooted for completion of the scheme ) equates to 487 per year. Divided by 40 years, it is 365 and divided by 50 it is 292.

395 ‘One in 10 Liverpool Waters jobs for city’s poorest people’. Liverpool Echo. 20 June 2012
396 ‘Liverpool Waters exclusive: How many local jobs?’ Liverpool Daily Post. 20 June 2012
397 ibid
398 Liverpool Waters developer Peel Holdings refuses to make any more changes for heritage group’. Liverpool Daily Post. 13 September 2010
399 ibid
400 ‘Pickles to scrutinise Liverpool Waters Plans’. Insider Media. 8 October 2012
These are not staggering numbers. Nor are they to be sniffed at. But they are, quite evidently, complete ‘guesstimates’ (see later in this section).

16.56 The vagueness is surely warranted - can anyone possibly project ahead in the way being suggested? Note that apart from some oblique references to economic and social regeneration⁴⁰¹ the Peel Group’s online promotion of the scheme via its dedicated Liverpool Waters website makes but the most general references to employment and job creation. The ‘Frequently Asked Questions’ section responds to “Will there be jobs for locals and how will people be able to get a job/training?” with a remarkably vague statement: “The range of employers and types of jobs that Peel are looking to create will provide a wide choice of jobs for local people”. It is made clear elsewhere is the same section that “we are of course aiming to attract successful business people to live, work and invest in the area”. It is also suggested that Peel is working hard to ensure “the local population provides as many workers as possible for Liverpool Waters, both during construction and once built … A scheme devised and managed by Peel has been implemented in Salford Quays for MediaCity and it is envisaged that this approach will also be adopted for Liverpool Waters”. Residents of Salford may have something to say about this assurance (see section 9).

16.57 On 16 August 2012, John Whittaker wrote to the Leader of the Liberal Democrat Group on Liverpool Council, in response to a letter about Liverpool Waters. It is extremely rare to hear directly from the ‘horse’s mouth’ – particularly at any length or in any detail – and the main body of the communication is copied in full below. After a standard preamble it reads:

“I can assure you that Peel would never seek to subvert the planning process. Indeed, Peel has an enviable track record throughout the country, always working within the planning process alongside planning authorities, to successfully deliver much-needed major development projects.”

16.58 Rather unnecessarily, given whom he was addressing, Mr Whittaker summarised the background to the proposals:

“In the case of Liverpool Waters, Peel has worked alongside Liverpool City Council consulting the Council and other stakeholders on all aspects of the development proposals for over five years. The planning application was finalised on that basis. After consideration of the very detailed report by the Council’s Head of Planning, Members of the Council’s Planning Committee resolved unanimously on 6 March 2012 that the Council is minded to grant planning permission subject to the Secretary of State not wishing to call in the application for determination, a S106 agreement and conditions. The decision was endorsed by the full Council a few days later.”

16.59 Mr Whittaker then provided detailed responses to “other matters” Cllr Kemp had raised:

“Submission to DCLG: The terms of the Planning Committee resolution delegates the issuing of the decision to the Head of Planning provided that no adverse comments are received from Natural England on a revised Habitats Regulation Assessment and minor changes to the conditions to provide greater clarity. With a scheme of this size it is not unusual for a decision

to take several months before the papers are actually sent to the Secretary of State. In the present case, Peel accepts that the delay has been necessary for the Council to address the matters in the Council resolution – albeit that delays are unwelcome for all involved.

End Users: End users do not “sign-up” for development at this stage of the planning process and Liverpool Waters is no different. However, I can assure you that there is serious worldwide interest and that Peel is investing substantial time and money in promoting the City of Liverpool and Liverpool Waters internationally. More broadly, Peel has worked closely with the Coalition Government in the promotion of Liverpool Waters site as a flagship Enterprise Zone and we are actively supporting the successful promotion of Liverpool as the site of the International Business Festival in 2014.

Capital: Peel intends to invest in the region of £5.5bn into the Liverpool Waters project over the next 30 years. As with all our schemes this will be sourced in a variety of ways such as partnerships, bank finance and, potentially, some sales of some land.

Chinese Partner: Peel has formed a joint venture with Sam Wa Group for the International Trade Centre in Wirral. The chairman of the Sam Wa Group, has spoken openly of her company’s intended long-term relationship in the region and the opportunities Liverpool Waters presents in terms of future investment for Sam Wa Group. Peel is also in discussion with a number of other Chinese and overseas partners. We continue to work closely with all involved in securing development partners, not just from China, but from around the World to help make Liverpool and the surrounding region move ahead of other cities creating wealth and employment opportunities for all.

First Detailed Planning Application: It is now hoped that we reach a position to start the process of submitting applications to discharge conditions and for reserved matters approval commencing in 2013. However, this is subject in the first instance that we await the Secretary of State’s decision as to whether or not to “call in” the planning application.

First Major Building: Subject to the above we would envisage the build-out period to begin perhaps six months afterwards. This is subject to a number of factors outside of Peel’s control ranging from the global economic outlook to the time it takes the Council to process the various applications that will be submitted.

First Permanent Employers and Employees: Based on the above assessment, occupation of the first building could be as early as 2014. Whilst this could be considered optimistic, Peel will continue to do everything it can to support the continued growth of companies at Princes Dock (the first part of Liverpool Waters) whilst continuing to attract more investment in the short term and add to the range of companies located there. I’m sure you will appreciate that it is in Peel’s interest to do so.”

16.60 Mr Whittaker concluded his letter with a somewhat patronising piece of PR (whilst taking care to remind Cllr Kemp that his party had supported the Liverpool Waters proposals):

“Thank you for your continue interest in Liverpool Waters. As leader of the Liberal Democrats in Liverpool, we value your feedback. The unanimous party support for Liverpool Waters at the Planning Committee on 6 March and the Council’s decision were very welcome after all the work involved. We now look forward to continued working together in order to realise the hugely important regeneration potential of Liverpool Waters within North Liverpool and beyond.”

16.61 The letter, reasoned and reasonable in tone, is very revealing. John Whittaker may not have composed it himself, of course (some of the phrases are identical to those used in Peel promotional literature and PR releases). It is also clumsily and ungrammatically expressed at times. But Mr Whittaker was prepared to put his name
to it and the letter ought to be taken to confirm what Mr Whittaker is prepared to commit to – largely promises and intentions. It contained few hard and fast facts or guarantees.

16.62 Liverpool members of parliament have remained largely silent about the scheme. If the public have concerns or reservations about the project, they have not been aired, except via small community online forums. Collective opposition to the scheme has been mainly restricted to small interest groups with particular agendas.

16.63 The limited nature and extent of the discussion surrounding the Liverpool Waters scheme has largely been due to the way in which the way the debate (such as it is) has been framed as a simple polarisation with variations on the same theme: culture versus economy/progressives versus stuck-in-the-muds/heritage versus jobs/the past versus the future. Some local politicians and other influential individuals have not only bought into but facilitated this aggressive simplification. The crude and rather pernicious rhetoric has thus been: if you don’t support the Liverpool Waters scheme you don’t want jobs and economic growth – ergo, you are anti-Liverpool.

16.64 Indeed, those who had been following the arguments recognised the “either/or” nature of the debate early on: “In the end, it will come down to a culture-versus-jobs issue.” A Liverpool Planning Committee member reinforced this when she reportedly said “there was ‘no competition’ between creating jobs and housing and keeping the [World Heritage Status] accolade.” And although the mayor of Liverpool had previously insisted he did not see this as an “either/or” issue, he told one magazine that the loss of Heritage status was a price the city would potentially have to pay and famously made some disparaging remarks about mere certificates on walls. As cited earlier, in November 2012 he wrote:

“World Heritage Status is nice to have. But anyone who thinks I’m going to put it before building a sustainable future for our city should think again.”

All of this seeped through into the public consciousness, as one local observer, the editor of the Seven Streets blog, demonstrated: “Liverpool is a shrinking industrial city and the focus should be on jobs, not keeping the World Heritage status.”

16.65 Some quiet voices sought to point out that it was not – and ought never to have been presented as - an ‘either/or’ situation; that proper consultation and compromise during the drafting stages might have achieved a planning outcome that satisfied all. Henry Owen Jones, the planning director for English Heritage North West said of the granting of planning consent by Liverpool City Council on 6 March 2012:

“The decision is in no way a surprise because it has been presented very much as a choice between jobs and growth on one side and heritage on the other. We are really disappointed that it has been presented like that because we have always believed that it was possible to develop a scheme that maximised heritage and developed jobs and growth.”

402 ‘Liverpool Waters: From Peel to Pickles’. Liverpool Confidential. 8 October 2012
403 ‘Liverpool Waters plans given go ahead by city planners’. Liverpool Echo. 19 September 2012
405 ‘UNESCO’s waterfront warning: an empty threat?’ Planning and Regeneration. 21 September 2012
406 ‘Liverpool Waters skyscraper plan gets council go-ahead despite heritage fears’. The Guardian. 6 March 2012
### FIG 12: ONE OBJECTIVE SUMMARY OF THE LIVERPOOL WATERS 'DEBATE'

<table>
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<th>THEME</th>
<th>FOR</th>
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<td><strong>Key Arguments</strong></td>
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<td>Design</td>
<td>- Give Liverpool a unique identity and transform the waterfront</td>
<td>- 55 storey skyscraper dwarfs the Liver building, an</td>
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<td>- Greater choice of housing</td>
<td>important city symbol</td>
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<td>- Symmetrical profile of waterfront design complements South Docks</td>
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<td>- Out of date property development model not suited to British</td>
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<td>- Relegates current central focus of the ‘Three Graces’</td>
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<td>- Peel Holdings</td>
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<td>- WYG Consultants**</td>
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<td>- The Victorian Society</td>
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<td>- Joe Anderson</td>
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<td>Economy</td>
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<td>- Civic Voice</td>
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<td>- New prospective business ventures</td>
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<td>- Prosperity and opportunities to rejuvenate Liverpool’s economy</td>
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<td>- 25,000 jobs, 4,000 construction jobs created. Targeted</td>
<td>- Jobs created not beneficial to local people</td>
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<td>recruitment in Anfield, Everton and Kirkdale wards</td>
<td>- Will take 50+ years for any economic benefits to be felt</td>
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<td>- Cruise terminal will boost tourism</td>
<td>- Commercial value threatened by the loss of World Heritage Status</td>
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<td>- The Merseyside Partnership**</td>
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<td>- Joe Anderson</td>
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<td>Environment</td>
<td>- Rat infestation eradicated</td>
<td>- Vague sustainability plans for development</td>
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<td>- Rejuvenation of disused area visually improves area</td>
<td>- Will lead to an unbalanced urban landscape</td>
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<td>- High intensity energy consumption in building construction required</td>
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<td>- Proposed cruise terminal would cause significant noise and</td>
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<td>disruption to ecology within waters</td>
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<td>- Contextually building design, form and material choices don’t</td>
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<td>reflect dock’s strong maritime history</td>
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<td><strong>Noted ‘Actors’</strong></td>
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<td>- Downtown Liverpool in Business***</td>
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<td>Design focuses attention on existing dock assets, e.g. the improvement of Stanley Dock. References historical pattern of existing docks</td>
<td>Increased public access, improved pedestrian and cycle routes</td>
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<td>Downtown Liverpool in Business</td>
<td>Attraction of cultural events</td>
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<td>The Merseyside Partnership</td>
<td>Creation of public open spaces</td>
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<td>Demolition of grade II listed Jess Hartley dock wall</td>
<td>Improved infrastructure for North Liverpool</td>
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<td>Design is unrepresentative of the character and culture of a port</td>
<td>New build homes</td>
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<td>UNESCO could withdraw World Heritage Status</td>
<td>Derelict area regenerated</td>
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<td>40% of proposals are on the WHS</td>
<td>Re-connection of the Mersey river to the Manchester Ship Canal</td>
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<td>Loss of historic authenticity</td>
<td>Existing docks inaccessible due to disrepair, project would make repairs to allow accessibility</td>
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Source: "Liverpool Waters: Mapping an Architectural Controversy"  www.mindoma.co.uk

* WYG Consultants is employed by Peel: "Global Infrastructure Consultancy. WYG has been leading the planning application under the direction of the Peel Group. Paul Grover, Regional Director from WYG said: “The submission of the outline application for Liverpool Waters marks a significant step in securing the economic future of the city. We have been leading the planning process since the scheme’s inception in 2007.” (NYC Group Media Release - 4 October 2010)

** Peel also is a client of the QVA property consultancy, which carried out much of the analysis and produced much of the documentation relating to the Peel Waters schemes

*** The Mersey Partnership (TMP) – if this is what is meant - has since morphed into the secretariat of the LCR Local Enterprise Partnership, led by Peel man Robert Hough

**** Peel is a member of the Downtown Liverpool in Business consortium

**Note:**

1. These arguments have been compiled by an objective third party – ExUrbe does not necessarily agree that they represent a) the key arguments or b) the only arguments.
2. As is notes above illustrated, the voices in favour of the Liverpool Waters schemes are not independent, disinterested voices – they all have direct vested commercial or political interests in supporting the project.
3. The pool of ‘noted actors’ (on both sides of the argument) is lamentably small – indicating, in our view, the paucity of the debate
Such voices were shouted down or drowned out by the noisy ‘either/or’ brigade.

16.66 Within this context, there were three main (and overlapping) points of contention surrounding the Liverpool Waters ‘über-plan’:

- The quality and aesthetics of the design
- The threat to Liverpool’s World Heritage Status
- The overall viability and deliverability of the scheme

These are briefly summarised below.

16.67 Architects, designers, urban planners, history and heritage types et al all had a view on the Liverpool Waters plan. Most of them were less than complimentary about the quality of the design and rather scathing about Peel’s track record:

"[English Heritage] says that the information provided by the developer, the Peel Group, and the architectural practice, Chapman Taylor, is not sufficient for an application of this importance and that their assessments are inadequate. /Cabe says that the scheme neither ‘articulates a vision for Liverpool Waters’ nor demonstrates how its elements ‘have been integrated into a coherent whole’. The developer’s ‘design principles’ are not ‘organised or expressed in a meaningful way’ and do not give confidence that they ‘will provide a sound basis by which to control design quality’. It says that the official guidance for proposing tall buildings has not been followed. It’s unusual to find so much unanimity among the various bodies charged with expressing views on major projects. What they are saying, in their measured consultee-speak, is that it stinks." ⁴⁰⁷

16.68 The common consensus amongst those taking a more objective look at the design plans appeared to be that they were soulless, contrived and decidedly second-rate.

16.69 Heritage organisations and campaigners were in time dismissed by the local Great and Good but these people arguably had good cause to kick up a fuss. Liverpool became a World Heritage Site (to be known as Liverpool – Maritime Mercantile City) in 2004. The city did not nominate itself – the State Party (ie: the UK Government) did so. The inscription, including the so-called ‘buffer zone’, covers pretty much the entire city centre.

16.70 The brief summary provided by UNESCO’s World Heritage Centre is as follows:

"Six areas in the historic centre and docklands of the maritime mercantile City of Liverpool bear witness to the development of one of the world’s major trading centres in the 18th and 19th centuries. Liverpool played an important role in the growth of the British Empire and became the major port for the mass movement of people, e.g. slaves and emigrants from northern Europe to America. Liverpool was a pioneer in the development of modern dock technology, transport systems and port management. The listed sites feature a great number of significant commercial, civic and public buildings, including St George’s Plateau." ⁴⁰⁸

All of UNESCO’s interactions with (and about) the city can be accessed via the WHC website (www.whc.unesco.org/en/list/1150/documents).

It is worth noting that currently – whilst still in full, albeit ‘endangered’ possession of its World Heritage Status ‘title’ – Liverpool keeps fine company. The Great Barrier Reef, the Old City of Jerusalem and its walls, the Acropolis, the Kremlin and Red Square, the Egyptian Pyramids, Vatican City, the Taj Mahal. In Palestine, the birthplace of Jesus, no less, the Church of the Nativity and the Pilgrimage Route in Bethlehem are all members of this exclusive ‘club’.

With Liverpool now on the WHS ‘endangered’ list, some have rather complacently suggested that the ultimate ‘sanction’ (ie: total ‘striking off’) will not be levied – or at least not for a long time. Others have suggested that this would not be the worst thing that could happen and cite the likes of Dresden which lost its World Heritage Status in 2009 when it persisted in building a new four lane bridge over the Elbe but is apparently doing just fine, post WHS.

Few have been inquisitive (or brave) enough to question or challenge the overall feasibility and achievability of the Liverpool Waters project; most observers have accepted at face value Peel’s actual and projected economic impact evidence.

Job creation is a case in point. A press release highlighting a “Peel Day” held at the Liverpool Pavilion during the 2010 World Expo in Shanghai advised:

“Both Peel Waters schemes are employment led, and will eventually create many thousands of jobs in the Region.”

No precise figures were mentioned and Peel refrained from talking about tens of thousands of jobs, which is what it claims to a local audience.

Liverpool Waters Planning and Regeneration Statement November 2011 (as part of the application documentation bundle) predicts “over 14,600 new jobs” and “200 FTE construction jobs per year for 37 years” (totalling 6,400). It is unclear whether these 6,400 posts are included in or additional to, the 14,600 headline figure.

Here is how consultants employed by Peel typically calculate job creation, according to a community press group in Salford:

\[ AI = [GI \times (1-L) \times (1-Dp) \times (1-S) \times M] - [GI \times (1-L) \times (1-Dp) \times (1-S) \times M] \]

This is the simple equation that Amion Consultants, acting on behalf of Peel Holdings, has used to work out the amount of jobs that might be created at Port Salford, Peel’s massive road, rail and Manchester Ship Canal project in Irlam. The final figure is worked out by ‘employee per square metre’ and then slapping in ‘net additional impact’ (Al), ‘gross impact’ (Gl), ‘leakage’ (L), ‘displacement’ (Dp), ‘substitution’ (S) and ‘multiplier’ (M). It’s all very scientific.

409 ‘Peel Day at Liverpool Pavilion’. Wirral Waters press release. 19 October 2010
410 ‘Peel Holdings £31 million Public Subsidy for Port Salford’. Salford Star. 11 September 2012
16.77 The same local journalists made an observation borne out by scrutiny of documentation and PR statements relating to Peel’s Mersey waterfront projects – that of imprecision and inconsistency:

“Until you realise that virtually every document you look at regarding jobs at Port Salford comes up with a different figure. /This particular equation comes up with a total of 3,067 jobs for Phase 1 of Port Salford. Which is a bit of an increase from the Port Salford planning application from 2009, when there were only 1,170 jobs on offer. And slightly different from Peel’s own website which states that the Port will generate "3,858 gross permanent jobs". The figures vary by over 2,500 jobs.”

16.78 Number crunching which takes the ‘empirical approach’ to extremes arguably has very little bearing upon reality. The reality is that – due to employment, competition and anti-discrimination law and due to the fact that it is not possible to see into the future – it is impossible to predict with any accuracy the type, nature or number of jobs likely to be created by a long-term project of this kind, with its ‘cobbling together’ of different sectoral activities. Nor does it allow for any meaningful qualitative assessment of the type of employment creation likely to occur. Will it be high or low skilled? High or low paid? Professional or manual? Direct or indirect?

16.79 Given all this, no jobs ‘deal’ between Peel and Liverpool City Council was possible. Peel and Liverpool City Council knew this – and that is why the S106 conditions attached to the planning permission are very carefully worded. Peel does not guarantee local jobs and opportunities. It merely makes a commitment to trying to create them directly or to create opportunities for others to create them – that is quite a different thing.

16.80 In March 2012, the Financial Times reported on the latest state of play with regard to the Liverpool Waters planning application:

“The objection means the government is obliged to consider a public inquiry. Asked what would happen if it is called in, Lindsey Ashworth, development director of Peel, has a simple answer. ‘That’s it. We will go and spend our money somewhere else. The message government needs to send is that the local people have decided. That is what localism is about’.”

This was echoed by a comment made by the mayor, Joe Anderson, a few months later, in respect of Liverpool Waters:

“We just want to be left alone, to make our own judgements.”

16.81 Given the implied threat in Mr Ashworth’s response, this was a particularly pernicious argument to make. And perhaps the mayor made use of the royal third person. The people of Liverpool had had no say. Their democratic representatives – local councillors - made the decision on their behalf (as was quite normal and proper). The compounding effect of the mayoral model of governance, however – which

411 ibid
412 ‘Liverpool steams head with development plan’. The Financial Times. 11 March 2012
concentrates power into the hands of one individual – meant that Peel had only one person, ultimately, to win over – Joe Anderson. The rest, as they knew, would follow. Similarly, the approval and support of the LEP, as the economic driver and strategic decision maker for the sub-region, was crucial. With a Peel man at the helm and another on the Board, this was essentially a given. The strength of the Liverpool Waters case had little to do with ‘localism’.  

16.82 An historic point is worth making. Liverpool’s ‘Three Graces’ were built to ‘show off’ success and prominence. As it happened, they arguably symbolised a maritime industry already on the cusp of decline. Liverpool Waters, in contrast, does not ‘celebrate’ achievement in this way – it speaks, rather, of vain hope.  

16.83 Another fundamental question that remains to be examined at any length is this: does Liverpool Waters meet actual (as opposed to perceived) demand? Supporters say “Yes, absolutely” on the grounds that something – anything - needs to be done about the huge swathe of dock wasteland in question. The area is undoubtedly calling out for regeneration and both employment and housing are at the top of the economic agenda. But whether north Liverpool needs and wants what Peel proposes is open to debate – as is whether Peel will actually deliver.  

16.84 Currently, Peel does not have the £5.5bn (on top of the £4.5bn for Wirral Waters) it intends to channel into the project. That was made quite clear by John Whittaker in his 2012 letter to Cllr Richard Kemp and is openly admitted by the conglomerate on the Liverpool Waters website:  

“[B]efore finance can be arranged new markets for attracting investments must be created as these do not exist at present.”

The Liverpool Waters scheme will undoubtedly attract piecemeal parcels of investment – from “sovereign wealth funds and Chinese companies” amongst others - as the years and decades go by, but it starts out without the funding to complete the job. That is a precarious position to be in, in the current economic climate.  

16.85 Nor does the scheme yet have the tenants who will bring in the rent and economic activity, as John Whittaker also made clear in his letter. Peel is potentially on to a good thing, what with all the ‘perks’ that come with Enterprise Zone status. But without business and residential tenants, it will struggle.  

16.86 In short, Liverpool Waters appears to be built upon a wing and a prayer. It remains decidedly ‘visionary’ and in the absence of any rigorous, objective scrutiny, the economic arguments underpinning and justifying the scheme remain largely untested.  

16.87 There is of course an outside chance that it will all pan out – but it is difficult to see how the development will bring will bring real benefits – other than a physically  

improved environment – to local communities. If it does, they are likely to be incidental. As a private sector conglomerate, Peel is focused upon making profits.

16.88 Peel suggests that it would not take on such a huge and challenging project unless it had confidence it would succeed. That is the standard PR ‘spiel’ – and potentially very disingenuous. The reality is that Peel would not be pursuing such a huge and challenging project unless it had confidence it could make profit in the short to medium term. Chasing short to medium term profit is, of course, what did for the banking sector a few years back.

16.89 One proposition is that Peel has little intention of seeing the Liverpool Waters development through to the end; that it will improve the land as part of the clearing and preparatory process - thus increasing its value - then sell it off at a tidy profit. Indeed, the site will already have appreciated in worth, thanks to the Enterprise Zone status it has secured.

16.90 In fairness to Peel, that has not been a particular feature of its practice elsewhere – if only because it is adept at exploiting its assets through a multi-faceted approach to their development and usage. But then this particular scale and complexity of project is unprecedented for Peel. And the Group has no qualms about off-loading land and sectoral interests that do not prove to be lucrative.

16.91 The conglomerate declares that it has ‘form’:

“Peel has a strong track record in delivering major high quality and award winning developments around the UK.”

It cites MediaCityUK, Gloucester Quays, the Trafford Centre and Liverpool John Lennon Airport as evidence of this. Not all of these ventures have proven, longer term, to be unqualified successes. Nor were any of them in the same ‘league’, in terms of scale, cost and timeframe, as the Peel Waters schemes.

16.92 The Group is also confident it has what it takes: “Peel has the vision, the resources and the expertise to deliver.” Based upon our findings thus far, we are not convinced the conglomerate has any of these three prerequisites and would argue that this claim cannot be deemed to be ‘true’ simply because Peel declares it to be so.

16.93 A final quote from an academic cited earlier, which speaks for itself:

“[T]he UK’s primary large-scale urban development projects of the last two decades … have not only tended to exclude the poor; they have typically exacerbated existing socio-economic inequalities… [s]uch projects are generally poorly integrated – at best – into the wider urban process; they have an ambiguous impact on the cities they are intended to benefit; and they normally accentuate socioeconomic polarisation through the working of real-estate markets and changes in the priorities of public budgets.”

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He suggests, too, that “real estate development becomes a centrepiece of the city’s productive economy, an end in itself”.
17] Liverpool 2

17.1 Peel owns the Port of Liverpool within its burgeoning ports portfolio. It is, says the conglomerate:

"ranked among Britain’s and Northern Europe’s major container ports and handles nearly 700,000 TEUS (20ft container units) a year … The Port maintains its traditional prominence in Britain’s container trade with North America while expanding its global routes and now serves more than 100+ non-EU destinations from China to India, Africa, Australia, the Middle East and South America. Liverpool is the UK’s leading gateway for imports of grain and animal feed, for the export of recycled metal and the movement of freight between Britain and Ireland… Other commodities handled on the 1,200 acres of operational docks on both banks of the River Mersey include timber and forest products – some of it delivered on daily trains from Germany and Italy via the Channel Tunnel – approximately 11 million tonnes of crude oil for Shell's Stanlow Refinery in Cheshire, imports of coal amounting to 3 million tonnes a year, nearly 1 million tonnes of edible oils and fats, cocoa, steel, copper, aluminium and other metals, granite, chemicals and general cargo, plus approaching three quarters of a million people travelling on Irish Sea ferry services and the growing number of cruise ships embarking passengers and making day calls at the port…The Port's cruise trade which has been developed from an initial 3 sailings in 1992 to 40 planned for the 2009 season, received a major boost with the official opening in late 2007, of a new cruise terminal enabling the largest ships to berth alongside Liverpool’s iconic Pier Head. The Port of Liverpool is also home to the UK's largest free zone, Liverpool Freeport, accommodated in more than 3 million square feet of warehousing with another 400,000 sq ft planned, bringing the port's total logistics accommodation to more than 4 million sq ft."\(^{417}\)

17.2 Liverpool2, a development centred around the construction of a new deep water container facility at the north end of the Port, hit the local headlines in the latter part of 2012. It is a key plank of the Mersey Ports Master Plan - the 20-year vision for growth and future development at the Port of Liverpool and on the Manchester Ship Canal – launched by Peel Ports in 2012.\(^{418}\) The £300 million terminal expansion at Seaforth “will allow some of the world’s largest ship containers to use the Mersey, as well as significantly increasing the container handling capacity at the port.”\(^{419}\) Catering for ships wider than the original Panama Canal it will reportedly be capable of handling ships carrying 13,500 containers, compared to the current limit of 3,500. It will be able to accommodate two large vessels simultaneously, allowing goods to be imported and exported by sea. It dovetails nicely with plans for the Peel ITC.

17.3 Peel promotes the Liverpool2 project as follows:

“Liverpool 2 was consented under a Harbour Revision Order in May 2007. The implementation of the project would enable the container handling capacity at the port to be doubled from 750,000 teu to 1.5million teu per annum. The project will create 408 direct jobs in Sefton and 4,631 indirect jobs, 3,278 of which will be in Sefton or other Merseyside Districts. The indirect jobs are in activities totally dependent on the new port terminal - such as warehousing and HG driving jobs. It is regarded as a crucial project by local partners in Atlantic Gateway and as part of the Superport partnership. The project will create a new quay wall some 854 meters long from the South West corner of the Royal Seaforth Dock and the

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\(^{417}\) The Peel Group website: Port of Liverpool. Accessed 26 January 2013
\(^{418}\) ‘Peel Ports Names Lend Lease As Principal Contractor for Liverpool 2’: Peel Group news release. 18 September 2012
formation (including dredging) of a berthing pocket on the seaward side of the wall. The terminal will be located on 42 acres of land reclaimed from the River Mersey. The project will also extend the Bootle Northern outflow sewer and create a new public footpath to the Northern extent of the Port. There are proposals for local environmental projects to be funded through the Community Environment Fund – a key part of the Adapting the Landscape initiative. The enabling approach channel works would commence in 2012 and be completed by 2013. The new container terminal facility would be completed by 2014.\(^{(420)}\)

17.4 Gary Hodgson, managing director of Peel Ports Mersey, told one industry magazine in 2012:

“The facility represents a transformational project for the Peel Ports business. It will bring thousands of jobs and economic prosperity to the Merseyside region along with the rest of the North West.\(^{(421)}\)

17.5 He confidently told another publication: “The MMO (Maritime Management Organisation) consultation ends on 5th November and assuming we get no serious delays, we expect to get the formal go ahead early in December. That means we’ll see activity and new employment on site from the start of next year, with a completion date of 2015 very much in our sights.\(^{(422)}\)

17.6 The timeline to date has been as follows:

- **March 2012** Peel Ports unveiled plans for a £300 million container terminal at Seaforth\(^{(423)}\)
- **July 2012** European Investment Bank agreed to provide almost half the finance for the development (£150 million) \(^{(424)}\)
- **September 2012** Peel Ports announced ‘Lend Lease’ as principal contractor\(^{(425)}\)
- **November 2012** MMO (Maritime Management Organisation) ended consultation over Liverpool2\(^{(426)}\)
- **December 2012** Port of Liverpool received licences from MMO to begin work on the Liverpool2 expansion\(^{(427)}\) and reports appeared in local press of a £1.6 billion refinancing deal for Peel Ports.\(^{(428)}\)
- **January 2013** No definite start date has been set but work could start early in the New Year\(^{(429)}\)
- **2015** Scheduled opening (to coincide with the opening of the widened Panama Canal).\(^{(430)}\)

\(^{(420)}\) ibid
\(^{(421)}\) ‘Lend Lease nets £300m Port of Liverpool Expansion’. Construction Enquirer. 18 September 2012
\(^{(423)}\) ‘Plans for £300m container terminal in Liverpool’. BBC News Liverpool. 5 March 2012
\(^{(424)}\) ‘EIB awards £150m loan to Liverpool 2 project’. Port Finance International. 30 July 2012
\(^{(425)}\) ‘Peel Ports names Lend Lease as Principal Contractor for Liverpool2’. Peel Group new release. 18 September 2012
\(^{(427)}\) ‘Port of Liverpool gets green light to start £300m Liverpool2 scheme’. Liverpool Daily Post. 14 December 2012
\(^{(428)}\) ‘Funding Boost for Liverpool2 Plans’. Insider Media. 14 December 2012
\(^{(429)}\) ‘Port’s £300m Liverpool2 plan set to go ahead’. BBC News Liverpool. 13 November 2012
17.7 So far, so unremarkable. A new deep water container terminal sounds, generally speaking, like a good thing for the city region. The devil, however – as always with Peel – is in the detail. The précis cited at the start of this section, clearly written some time ago, made reference to plans for a new £100m container terminal. By mid 2012, that cost had risen to £300m.

17.8 It is claimed in the company literature that the Liverpool2 project will result in considerable economic growth for the sub-region and wider region and directly create over 5000 new jobs\(^{431}\), representing the biggest boost in employment to the region since the opening of the Liverpool One shopping centre.\(^{432}\)

17.9 This seems hyperbolic – if not plain misleading – given information provided on the Peel website, which suggests the project will create 408 direct jobs in Sefton and 4631 indirect jobs, of which 3278 will be in ‘Sefton or other Merseyside districts’.\(^{433}\) These figures are remarkably (and implausibly) precise. Peel cannot state categorically that local employment will be created. Nor can it realistically ‘guesstimate’ indirect (ie; knock-on) job creation figures.

17.10 In December 2012, the local press reported in a very positive vein that:

“Liverpool docks owner Peel Ports has completed a £1.6bn refinancing deal to fund its growth plans, including the £300m Liverpool2 SuperPort Scheme.”\(^{434}\)

It continued:

“The funding has been raised from a range of banks and private investors, including foreign investors. It also includes £150m from the European Investment Bank.”

17.11 All of this information was entirely correct. What was not made clear, however, was that:

“£1.6bn refinancing breakthrough ... comes just ... ahead of the company’s debt maturity in 2013. The UK-based Peel Group subsidiary can now look forward to the New Year”.\(^{435}\)

17.12 Industry magazine *Port Finance International*, in the piece quoted above, revealed that the conglomerate had “refinanced the burden of £1.1bn of debt as well as securing capital expenditure requirements”. The deal was “formed of numerous ‘bite-size’ chunks of finance, including £321m from a number of US insurance companies and “a small tranche” from UK pension funds. Nine US, Canadian and Australian banks also contributed £50m to the pot, arranged by RBS “a main lender for Peel Ports”.

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\(^{430}\) UK’s Peel Ports swamped with market interest. Port Finance International. 12 March 2012
\(^{431}\) ibid
\(^{432}\) Liverpool2 website: Jobs. Accessed 14 January 2013
\(^{434}\) £1.6bn financial boost for Liverpool owner Peel Ports’ ambitions’. Liverpool Echo. 12 December 2012
\(^{435}\) ‘US insurance companies help Peel Ports triple its source of funding’. Port Finance International. 13 December 2012
This is standard practice but the backdrop to the finance deal is telling. A figure of £1.6bn was trumpeted but the reality is that Peel had to find ways of securing over £1.1bn worth of debt due to be called in this year. Only a third of the sum paraded constituted new – loaned - investment capital.

In confirmation of the nature of this business, global law firm Linklaters proudly declared that it had “advised Peel Ports Group on a £1.2bn whole business securitisation (‘WBS’) debt refinancing, including a US Private Placement ... The transaction involved seven different legal jurisdictions and 12 law firms and involved a highly complex two day escrow closing process to co-ordinate the closing of all the debt sources and the release and discharge of the existing secured debt.”

This is global finance at the sharp end - the kind of banking-reliant money shuffling that has been so widely discredited in relation to a number of sectors. The sheer complexity of the transactions involved makes proper oversight and scrutiny nigh on impossible – certainly, Governments in the jurisdictions in question have little chance of making sense of it all with a view to ensuring regulation, accountability and proper taxation arrangements.

The Liverpool City Region Local Enterprise Partnership launched a ‘Superport’ quarterly newsletter in November 2012. The glossy publication carried the picture of the chair of the LEP’s Liverpool City Region Superport Committee, Peter Nears. No mention is made in the newsletter of Mr Nears' professional role as Strategic Planning Director for Peel Holdings (Management) Limited. This lack of transparency is arguably remiss, given the increasing power and influence of the LCR LEP as a strategic governing body. Whilst no secret is made of Mr Nears 'day job', surely the links should be made apparent. Otherwise, there are bound to be questions raised about unfair advantage and influence.

Liverpool2 is a clear demonstration of Peel's increasing pre-occupation with ‘branding’. It was (very openly) named to chime with the ‘feel good’ Liverpool One retail development in the city centre, which is widely held to have been a major trigger for economic growth. The senior executive cited earlier enthused:

"The Liverpool2 brand will become known throughout the world as our new container terminal brings customers to the North West from all points of the compass from South America to the Far East"

Branding is very important in modern commerce, of course – but the fact remains it is all about appearance rather than substance; about spin rather than hard fact.

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436 Linklaters advises Peel Ports on whole business securitisation.’ Linklaters News online. 12 December 2012
437 'Lend Lease nets £300m Port of Liverpool Expansion'. Construction Enquirer. 18 September 2012
18] Peel and the Atlantic Gateway

18.1 The Atlantic Gateway project, originally launched in 2008, is no longer a Peel enterprise *per se*. It certainly isn’t ‘sold’ as such and there is little mention of Peel in its literature or on its website.

18.2 It is actually more a marketing ‘vision’ than a scheme (“Atlantic Gateway has the potential to become a major brand”\(^{438}\)); a “proposition”, a “concept” and an “investment opportunity”, described as follows on a dedicated website:

> “Atlantic Gateway is the most significant opportunity in the UK to attract investment, accelerate growth and rebalance the economy. It is a proposition to create a critical mass to achieve a new level of growth not previously achieved in the UK outside of London… By 2030, there is the potential for some 250,000 new jobs to be created in the Atlantic Gateway area and around 140,000 of these jobs will be associated with Atlantic Gateway priority projects, involving £14 billion of new investment… With a private sector Board, it’s [sic] vision is to maximise investment into the Atlantic Gateway area and support the delivery of major projects by local enterprise partnerships (LEPs) and other partners. Drawing upon the area’s assets and scale of the development opportunities, Atlantic Gateway has the potential to become a major brand to leverage private sector investment and other funding opportunities… It represents an opportunity to invest in high growth innovation driven sectors and major large scale infrastructure projects that will stimulate demand in the economy much quicker than supply side measures. Atlantic Gateway identifies the strategic assets and opportunities across the area and provides the forum for a greater degree of collaboration across LEPs to accelerate investment and growth. It also provides a medium for working across Government to inform policy and establish national priorities for investment to rebalance the economy. Atlantic Gateway also provides a platform to promote low carbon sustainable growth and support the development of green infrastructure.”\(^{439}\)

18.3 The project didn’t begin life that way, however. As reported in the local press in early 2010:

> “A MAJOR £50bn scheme which includes Runcorn Waterfront has won some important backing. Peel Holdings’ Atlantic Gateway vision for the River Mersey and Manchester Ship Canal has been mentioned as one of six “key themes” in the North West Development Agency (NWDA) regional strategy for 2010. The 82-page document is important as it sets planning guidance for the region for the next few years, as well as public spending targets for transport, housing, employment, business competitiveness and carbon. It will replace the Regional Economic Strategy, the Regional Spatial Strategy and the Regional Housing Strategy.”\(^{440}\)

18.4 And it *is* a Peel ‘vision’: “The Atlantic Gateway is a concept that identifies over 50 projects proposed by Peel.”\(^{441}\)

\(^{438}\) Atlantic Gateway Business Plan. Published on Atlantic Gateway website. 2012


\(^{440}\) ‘NWDA and 4NW regional strategy outlines Peel Holdings Atlantic Gateway Runcorn Waterfront as a key project for the future’. Runcorn and Widnes Weekly News. 11 January 2010

\(^{441}\) Liverpool Waters website: Frequently Asked Questions. Accessed 1 February 2013
18.5 Peel now promotes the same thing as the “Ocean Gateway”, thereby creating an independent branding option unencumbered by the nominally democratic oversight of the Atlantic Gateway board. Not to be totally deprived of credit, the Peel Group website has a page flagging up its own version of the ‘Gateway’:

“Over the next 50 years, The Peel Group’s Ocean Gateway will deliver an unprecedented scale of co-ordinated private sector investment. It is a truly pioneering approach to the renaissance of a strategic corridor encompassing the City Regions of Liverpool and Manchester and adjacent areas within Cheshire and Warrington... Ocean Gateway was launched in 2008 and set out our strategy for a £50bn investment programme... The Peel Group, in promoting Ocean Gateway, has shared its ideas with the public and private partners locally, nationally and internationally. The concept has been reflected and built upon in a cross sector growth strategy called Atlantic Gateway.”

FIG 13: Atlantic Gateway – Geographical Spread

Sitting on said Atlantic Gateway board as a “private sector representative” is Peter Nears, Strategic Director for Peel.

18.7 The Atlantic Gateway ‘Partners’ comprise:

- Cheshire and Warrington LEP
- Greater Manchester LEP
- Liverpool City Region LEP
- Daresbury Science and Innovation Campus
- Environment Agency
- High Speed Rail 2 (HSR2)
- Ince Park
- Liverpool Airport
- Manchester Airport
- MediaCityUK
- Mersey Gateway Bridge

18.8 Of these fourteen, five are commercial Peel concerns and two of the LEPs have ‘Peel people’ on their boards – the Liverpool City Region LEP is chaired by Robert Hough and includes Peter Nears (as mentioned in previous sections) whilst the Cheshire and Warrington LEP board includes Louise Morrissey, “Director of Land and Planning, Peel Holdings Land and Property”.

18.9 In short, The Atlantic Gateway is a regional infrastructure Master Plan for a significant swathe of the entire North West – devised, led and promoted by the private sector.

18.10 There is strong governmental support – for the idea and for the LEPs that support it – both at local and national level. Michael Heseltine is a major advocate:

“[I]f anywhere in the UK can develop the critical mass and momentum to become an alternative growth pole to London, it is the Atlantic Gateway … there has never been a more credible proposition of that nature in Britain to achieve something decades of regional policy failed to achieve.”

and:

“Lord Heseltine played an important role in the Atlantic Gateway development that the PM and Chancellor have discussed with their Chinese counterparts.”

18.11 In his 2012 “No Stone Unturned” report on regional economic growth, Lord Heseltine endorsed the ‘vision’ when he wrote:

These are not the only examples of major infrastructure issues that need firm decisions by government – the regeneration of the Atlantic Gateway to make best use of the complementary economic weight of the Liverpool and Manchester city regions is another. These decisions should be taken urgently as part of our determination to be seen as an attractive place to invest”.

18.12 The Mayor of Liverpool is also a supporter and advocate. In early 2013, speaking on BBC radio about Liverpool’s “bright future”, he cited the Atlantic Gateway as an example of the city’s advantages.

18.13 The vast majority of projects outlined as ‘themes and priorities’ in the Atlantic Gateway business plan, published in summer 2012, are (as Peel loudly and proudly points out) Peel projects. They include MediaCityUK, Port Seaforth, Port Salford,

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442 Cheshire and Warrington LEP website: The Board. Accessed 22 January 2013
444 Good news for Merseyside jobs – and for Michael Heseltine’s legacy’. Faisal Islam on Channel 4 News Blog. 13 March 2012
446 Tony Shell in the Morning. BBC Radio Merseyside. 5 February 2013
and other logistics related development, Liverpool Airport Expansion and Ince Park. The projected costs of these projects run to hundreds of millions of pounds.

18.14 The Atlantic Gateway represents marketing at its most slick – it is a means by which Peel can group most of its major interests stretching from the Mersey up the Manchester Ship Canal to Manchester under one heading. For most of those living in the areas affected – LCR, Greater Manchester and Cheshire and Warrington – the labelling will be meaningless.

18.15 Does this matter? Those involved don’t appear, after all, to be asking directly for public money.

18.16 There is, of course, the rub. By aggressively ‘selling’ and reinforcing the vision, the main actors (with The Peel Group at the helm) effectively exclude any ‘competition’ (ie: alternatives) and put Peels projects in a strong position to lobby for Government and EU approval and support. This in turn helps to ensure money, opportunity and business benefits are channelled into the areas where the conglomerate has interests. Which in turn serves to raise the commercial value of those areas. Which is, of course, what ‘property development’ is all about.

18.17 Whilst there are no doubt individuals and consortia involved at both board and ‘ground’ level in the Atlantic Gateway project who genuinely believe they have the best interests of the region at heart, this cannot be taken as a given. By definition, the private sector is led by private, not public, interests. What is more, those leading on the project are not ultimately accountable to the taxpaying public whose money they need to realise their ambitions. They are business people. Glossy PR and marketing of the kind demonstrated on their website is not transparency.

18.18 It all arguably amounts to de facto regional governance by the private sector.

18.19 The Atlantic Gateway – and Peel - are not totally ‘untouchable’. It was reported in February 2012, for example, that the Greater Manchester Combined Authority was likely to “vote against a proposal by the new Atlantic Gateway Board to prioritise Liverpool and Wirral Waters … as major projects for economic growth, unless there is more ‘robust evidence’ in their favour”. A paper commissioned by the Atlantic Gateway Board – and produced by the chief executive of a Greater Manchester policy think-tank and the chief executive of Salford City Council, no less - recommended that:

“the [GM] Combined Authority does not support [Peel’s] Wirral and Liverpool Waters schemes as priority projects for Atlantic Gateway until it can be satisfied” on three points:

a) There is a robust evidence base to confirm market demand for such a significant amount of grade A commercial floor-space outside any city centre

b) It can be clearly demonstrated that the projects will deliver net added value to the region as a whole, across all three LEP areas.

448 ‘Greater Manchester Doubtful over Peel’s Atlantic Gateway’. Place North West. 27 February 2012
c) There is a clear deliverable investment plan in place that shows the level of private investment involved, and considers the costs and benefits of any public investment that may be required including infrastructure support."

The press article also revealed that "Manchester City Council and the Association of Greater Manchester Authorities have objected previously on similar economic grounds."

18.20 Clearly, the Greater Manchester Combined Authority, comprising 10 local councils, has strength in numbers and is prepared, if necessary, to challenge Peel. The Liverpool City Region has no equivalent form of sub-regional determination. Even if some of the local authorities were not so seemingly in thrall to the conglomerate, they do not appear to have the will or the wherewithal to express a collective view or to tackle vested ‘big business’ interests head on.
19] Conflicting Agendas?

19.1 Private sector commercial entities – be they individual companies or conglomerates – do not invest in projects through the goodness of their corporate hearts. They may lay claim to corporate responsibility and socially responsible ethics (and some may even mean it) but at bottom they are interested in turning profits. This is not to be condemned outright, of course. Communities and societies rely upon wealth creation and it would be naïve to pretend otherwise. Where the wealth ends up is another matter, of course, as was discussed in the first part of this report.

19.2 It is widely recognised that John Whittaker had a “long held ambition” to acquire the Mersey Docks and Harbour Company and was determined to realise it. Whether his motivation was purely commercial or linked to a personal, self-imposed challenge is open to speculation.

19.3 Peel has long declared a particular interest in, commitment to and support for the Liverpool City Region and its people. Indeed, its PR can verge on the schmaltzy, as evidenced by statements made by senior Peel executives cited earlier. Actions speak louder than words, however.

19.4 As has been shown, Peel does not pay much heed to local need and preference if they run counter to its plans. The conglomerate seems oblivious to the potential knock on effects of its monopolisations and quite prepared to drive out real or perceived competition through sheer brute force.

There follow several very different examples of the way in which Peel’s agenda actually or potentially conflicts with local needs, preferences or priorities. Three are drawn from the Liverpool City Region itself.

Example 1

19.5 Major housing developer Urban Splash had plans, approved by Liverpool City Council, to regenerate a huge derelict site at Great George Street on the edge of Liverpool’s historic China Town. The ambitious scheme would include the construction of some 390 homes and cost £100m. In the event, the project stalled – reportedly due to the recession – and by early 2012 Urban Splash were proposing instead to create a car park to generate income and a scaled back scheme involving just 10 houses.

19.6 Around this time, a rival company – Shanghai Square Ltd – unveiled an alternative plan for the site: “a trade centre, new restaurants, an Asian Pacific food court, leisure facilities and specialist accommodation for Chinese students”\(^\text{450}\). The trade centre would, said the company, “provide a shop window for up to 100 Chinese electronics
businesses looking to showcase their goods in the UK". It was claimed up to 500 new jobs would be created.

19.7 Shanghai Square is run by businessman Dr Lee Kai Huong, chairman of the North West Chinese Council. At the unveiling of the Chinatown plan, the then local authority leader (now mayor) Joe Anderson appointed him as Liverpool City Council Chinese Business Champion. Cllr Nick Small, the city’s Cabinet member for Employment and Skills told the North West Chinese Council:

"I am delighted that someone with Dr Lee’s experience and track record has agreed to be our Chinese Business Champion. He has built successful businesses in the UK and China and has unparalleled understanding of the Chinese business and political environment. He will be an invaluable ally for the City."

Dr Lee, in his new role, soon joined Cllr Nick Small and others on a delegation to the city of Nanning in China.

19.8 Liverpool City Council was reportedly in the process of mulling over both Urban Splash’s requests to amend its plans for the Great George Street development and Shanghai Square’s rival proposals when it was reported in late April 2012 that Urban Splash would receive Growing Places funding courtesy of Liverpool City Region Local Enterprise Partnership:

“£465,000 … towards public realm to prepare its Tribeca residential scheme on Great George Street in Liverpool. Plans for the housing are still being revised.”

The money would, it was reported, help to ‘kick start’ the Urban Splash scheme. Note that the money was intended for "public realm", not for any housing itself. LEP chair Robert Hough said that allocations were made according to strict criteria.

19.9 This shot in the arm for Urban Splash gave it an unquestionable lead in the Chinatown “land war” and the Shanghai Square plan became considerably less likely to succeed. There has been no mention of it, publicly, since.

19.10 It did not go unnoticed by observers at the time that Shanghai Square’s loss would be Peel’s gain. Although the conglomerate was not directly implicated in the wheeler dealing taking place over central Liverpool, the LEP’s decision to boost Urban Splash’s scheme effectively quashed any competition in the form of a Chinese Trade Centre set up on the Liverpool side of the Mersey. The proposed Chinatown venture was not in the same league as the Peel International Trade Centre – just one tenth of the size, in terms of square footage – but it was, arguably, an inconvenience and a distraction.

19.11 Liverpool’s Chinatown is said to be the oldest Chinese community in Europe. The Shanghai Square project aimed to exploit this. Based on the long-neglected city

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451 ibid
centre fringes, it made a certain organic and regenerative sense – seeking as it did to consolidate and build upon the city’s existing historic, social, cultural and commercial links with the Asian powerhouse. It sought to attract direct investment into the core of the sub-region – whereas Peel intends to use the ITC as a European trading warehouse, with goods essentially merely ‘passing through’ the Liverpool City Region.

19.12 Some interesting observations were made by online commentators via the ‘Skyscraper City’ forum in relation to these developments:

- “The trade centre scheme I think is definitely a good thing, my only concern is how Peel would take it, whilst I love the idea that it is a potential competitor for the Peel Trade Centre scheme so both could flourish - I just hope Peel don't try to throw their weight about and hinder this project.”

- “It's all down to Peel having similar plans for Wirral Waters, Urban Splash will win.”

- “Not happy about Peel influencing schemes in the city centre. This has happened a few times now.”

- “The China Square scheme may not have been a serious prospect. I really have no idea. However, the guy behind it is meant to be Joe’s Chinese business ambassador… LEP stifling him with the grant towards the dormant Urban Splash scheme certainly makes you think. Remember that both LCC and the LEP appear to be bending over backwards to please Peel.”

- “[T]his decision plays, perhaps unfairly, into the perception that Liverpool is a town where small cliques and networks operate in their own interests and not always for the common good. That might not be reality of this, for all we know there are extremely sound economic development and regeneration reasons for the LEP acting as it has done, but there seems to be a reaction to this one, that it doesn’t feel right.”

19.13 There is no evidence to suggest Peel had any direct involvement in the matter. But that ‘Joe Public’ made these connections is indicative of the cynicism that may develop when residents feel they are being taken for fools.

19.14 It was then reported locally, in May 2012, that Peel had Irish competition – in the form of a €1.4bn Europe-China trading hub being built near Athlone. Senior Peel executive Lindsey Ashworth was dismissive, reassuring the press Peel was confident its ITC “will be first and will be better” and that Peel would blow its competitors “out of the water” whilst admitting it was “a race against time”.

Example 2

19.15 Peel owns the Princes Dock in Liverpool, which is home to the highly controversial, costly, long fought for (and as yet only temporary) cruise liner terminal. Peel Ports leases the land to the council. There is still a question mark hanging over whether the city will have to return some or all of the £9m EU subsidy it received on condition that it would not be a ‘turnaround’ facility (ie: one that allowed cruises to start and

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455 ‘Peel in race against Ireland to develop Wirral International Trade Centre’. Liverpool Echo. 7 May 2012
end in the Mersey). Nevertheless, the terminal appears to be doing well. Demand is on the up and it needs to expand.

19.15 In September 2011, Peel expressed enthusiastic support for the facility:

“Princes Dock being located alongside the existing facility and the world-famous Pier Head would act as a fantastic backdrop for visiting cruise liners calling at Liverpool. The benefits to Liverpool of having a cruise liner terminal are spread throughout a range of businesses within the city. Peel Ports currently operates a turnaround facility at Langton Dock in Liverpool that could transfer to the Pier Head, if approval was obtained, this would see Ports revenues reduce, not increase in the short-term. Therefore initially the number of vessels passing through the Port of Liverpool would not increase dramatically. Within the Liverpool Waters masterplan there are plans to build a cruise liner terminal at West Waterloo dock. The outline planning application for Liverpool Waters is progressing well and the proposed cruise liner terminal still clearly features within our plans and would complement the city council’s proposals. With Peel owning most of the land around the existing cruise liner facility and also being the conservators of the River Mersey, clearly we will be working very closely with the city council to assist them with their turnaround cruise liner terminal on the Pier Head. Peel has made no commitment to the city council to financially contribute to the proposed terminal, but that does not mean we are ruling out such a partnership in the future.”

19.16 Peel Ports’ Ian Pollitt (mentioned previously) and the Liverpool mayor, Joe Anderson, took part in a ‘photoshoot’ to mark the start of construction work on the terminal, in March 2012. And Peel is keen to claim credit for the facility – pointing out on its website, for example, that the Princes Dock, of which the terminal is an integral part - won a ‘Best Commercial Scheme’ award in 2012.

19.17 As was revealed earlier in this report, Liverpool City Council is relying upon Peel to invest further in the facility. In January 2013, the council’s events and cultural infrastructure manager reportedly told the local press that “nothing can happen without Peel’s financial support”457. She also confirmed, however, that:

“There are no firm plans in the pipeline for expansion at present …While Liverpool council is leading on the cruise terminal, it will need to work closely with Peel Ports Mersey and landowner Peel Holdings on a multi-million pound upgrade.”

Cllr Wendy Simon, the cabinet member for culture and tourism said:

“We already work closely with Peel, but there’s no concrete plans as yet for a permanent terminal building.”

In contrast, Peel Ports Mersey managing director Gary Hodgson made a fairly non-committal statement:

“This is a tremendously exciting time for Liverpool’s maritime sector. As statutory harbour authority we fully support the aspirations of the team at Liverpool City Council to develop the cruise offer for this city.”

456 Bold Vision for Liverpool Docks’. Peel Statement to Southern Daily Echo. 3 September 2011
457 ‘Call for Liverpool River Mersey Cruise Terminal to Expand to Cope with Demand’. Liverpool Daily Post. 17 January 2013.
458 ibid
19.18 Peel, which currently has a baggage handling and customs facility at Langton Dock, has in fact long planned a second cruise liner terminal as part of its “vision” for its Mersey ports:

“A 20-year Peel Ports masterplan identifies “considerable opportunity to expand turnaround cruise activity” citing the proposals for “enhancements” to the Liverpool Cruise Terminal and the development of a brand new cruise liner terminal as part of an ambitious £5.5bn regeneration scheme, known as Liverpool Waters, bringing 20,000 new jobs… A new 17,600 sq m cruise liner terminal is also planned… Peel is restricted in the use of its own cruise facilities at a commercial harbour in Langton Dock, next to a scrapheap, due to high winds and fast tides. The terminal which hosts around 30 cruises a year, was voted as one of the UK’s worst by passengers… Peel told the Daily Echo it wants to transfer its Langton turnaround cruises to the Pier Head terminal 2.5 miles away, although claims its revenues would fall in the short term… Liverpool City Council has already set aside £10m towards a £23m new passenger and baggage handling facility at the terminal, and Peel is expected to fund the balance if the council wins the “turnaround” status.”

19.19 The conglomerate explains the benefits of a “new Cruise Liner Terminal” as follows:

“The development of a new international cruise liner terminal in Liverpool Waters will bring major economic benefits to Liverpool and the North West region. It will be a key destination and act as an important commercial and tourism generator, allowing prestigious world cruise liners to dock in the city.”

19.20 News of an additional cruise liner facility surprised and confused many onlookers. As one member of the public dryly observed upon learning about this in March 2012:

“So Peel will have their new terminal to replace their terminal at Langton in Bootle and not only is the council paying for the buildings Peel needs on Peel land to enable them to have their terminal, but they are also paying Peel rent for the land. Someone is going to have to run that by me again.”

19.21 What, then, of the original, Council-run terminal that was so bitterly fought for – and cost taxpayers a great deal of money? A clue may be found in the report prepared for Liverpool City Council’s Planning Committee, when it met in September 2012 to re-approve the Liverpool Waters planning application. Since it had awarded planning permission in March of that year, some developments and “Material Changes” had taken place. One of them was reported to councillors as follows:

“Cruise Liner Terminal. Since the 6th March planning permission has been granted and implemented for the operation of a temporary cruise liner terminal at the southern end of Princes Dock next to the Pier Head. The area concerned lies within the Liverpool Waters application site (Development Plot A-01) which is scheduled for development during the period between 2012-2016. In the event that Liverpool Waters application receives planning permission and detailed proposals for permanent development for this site emerge alternative arrangements will need to be made for the temporary cruise liner terminal.”

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459 ‘Bold Vision for Liverpool Docks’. Southern Daily Echo. 3 September 2011
461 ‘Work begins on Liverpool River Mersey cruise terminal facility’. Liverpool Echo - Comments. 23 March 2012
462 Liverpool City Council. Planning Committee Report: Item 11. 18 September 2012
19.22 Only time will tell what those “alternative arrangements” will be. Whether Liverpool City Council - which regards the current cruise liner terminal as a triumph for the city - is fully aware that Peel has a clear agenda on this, remains to be seen.

Example 3

19.23 The success of the Trafford Centre as an out of town retail mecca is not disputed. It is very much the jewel in the crown of Peel's retail division, which has continued to grow:

“Peel's investments include a major shareholding in Capital Shopping Centres (CSC), which is the UK's leading specialist developer, manager and owner of regional shopping centres. With a portfolio of 14 centres representing 16 million sq. ft. of retail space and a valuation of £6.7 billion, CSC's shopping centres attract well over 300 million customers a year. With an unrivalled and irreplaceable portfolio built up over 40 years, CSC owns more pre-eminent shopping centres in the UK than any other operator. The CSC portfolio comprises five major out of town centres (including four of the UK's top six out of town centres) … and nine in-town centres.”

In addition, the Group boasts twelve outlet retail parks and is busy developing more retail and leisure “destinations” such as Gloucester Quays and the Lowry Outlet in Salford.

19.24 The retail sector is, of course, struggling in the current economic climate. But shopping centres and out of town malls are weathering the storm better than the high streets. According to research carried out by the British Retail Consortium, for example, in the three months to April 2012, footfall fell by 6.4% in the high streets but only fell by 0.8% in the shopping centres and actually rose by 1.2% in out of town centres. In the quarter to October 2012, high street footfall fell by 0.9% but both shopping centre and out of town footfall increased slightly, at 0.1% and 0.2% respectively.

19.25 Peel is keen to protect its retail interests – and resourceful in finding ways of doing so. It is actively pointing out to prospective International Trade Centre wholesalers, for example, that it can make excellent ‘introductions’ into the UK retail market:

“Occupiers of the Trade Centre would also benefit from our exposure and relationship with thousands of retailers as we are co-owners of some of the largest and most prestigious shopping centres in the United Kingdom.”

19.26 The problem is, of course, that the desirability of out-of-town shopping centres is being increasingly questioned. It is now widely acknowledged that they have played a significant part in ‘killing off’ high streets and systematically undermined small and independent retailers in favour of large – often global – retail chains. Changes in shopping habits and a decline in consumer confidence have played a considerable role – and the rise and rise of online shopping, of course, challenges all traditional forms of retail.

463 The Peel Group website: Retail - Shopping Centres. Accessed 8 February 2013
19.27 Whatever the common root causes, the impact upon the different types of shopping locales has been markedly different. Official figures showed, for example, that between 2005 and 2010 (arguably before the credit crunch really began to kick in) town-centre sales grew by a just 1.5%, while those in out of town shopping centres grew 11.5%.

19.28 The Local Company Data organisation gave a clear indication of how and why the likes of Peel were better able to ride the tough economic storm:

“There is increasing evidence that the retailer pain is not spread evenly between the High Street and Shopping Centre. The latest results from several of the big, retail-owning property companies show their revenues have been surviving any tenant difficulties with ease. Solid rental growth, footfall and occupancy levels demonstrate that prime properties are taking market share away from other locations.”

19.29 The Government paid lip service to ‘traditional’ shopping centres when in 2011 the Prime Minister appointed a ‘retail tsar’, charging her with the task of coming up with:

“a plan to help reverse the fortunes of the UK’s high streets, handing her an ambitious brief that will aim to address soaring shop vacancy rates, prevent the proliferation of “clone towns” dominated by familiar big names and boost the number of small and independent retailers in town centres.”

19.30 Said tsar – Mary Portas – produced a raft of recommendations, some of which are to be piloted around the country. One of them was that “the planning system should be reformed to encourage town centre rather than out of town retail development” – a proposal likely to have been of interest to an organisation like The Peel Group.

19.31 The Government’s response to Mary Portas’ suggestions on this was as follows:

“14. Make explicit the presumption in favour of town centre development in the wording of the National Planning Policy Framework: We support this recommendation. We are determined that the planning system does everything it can to ensure the viability and vitality of our town centres. That is why the National Planning Policy Framework, published on 27 March 2012, reflects the concerns raised by Mary and others, and clearly sets out strong policies for promoting town centres. The Framework contains a sequential approach to planning for town centres that directs retail, leisure and office development to town centre locations first. Proposals for main town centre uses that come forward, that are not included in the Local Plan, will need to demonstrate there are no suitable sites in the town centre, and that they will not have a detrimental impact on town centres in the catchment area. The Framework is quite clear that proposals that fail either of these policies should be refused.

15. Introduce Secretary of State “exceptional sign off” for all new out-of-town developments and require all large new developments to have an “affordable shops” quota. As we have overhauled the planning system, our changes will help to address this concern as local plans will be in place that reflect community wishes, with less need for central intervention. When a planning application is called in it takes responsibility for decision making away from the local

466 Shop vacancy rates stabilise in 2011 but the gap between the best and worst performing towns widens and over 14% of shops still remain vacant’. Local Company Data press release. 8 September 2011
467 ‘Queen of Shops brought in to help save UK high street’. The Guardian. 17 May 2011
468 ‘High Streets at the Heart of our Communities: the Government’s Response to the Mary Portas Review’. Department for Communities and Local Government. March 2012
planning authority, which is best placed to understand local needs, adds costs and delays to the process, and is contrary to our ethos of devolving power to the local level. We will continue to use the call-in power sparingly. The Government supports affordability but we are concerned that to require all large new developments to have an “affordable shops” quota could increase the adverse impact of that development on town centres.\footnote{ibid}

19.32 It is interesting to consider the Shanghai Square case in light of this response.

19.33 As the Whitebirk saga revealed (see section 9), Peel doesn’t ‘do’ high streets and is alternately testy and cavalier, when accused of not caring about drawing jobs and custom away from them. Furthermore, it is reasonable to assume that the social and cultural value of local high streets is an alien concept to large property developers whose ultimate aim is to maximise profit. Their aim in building malls is not to create community but commercial hubs. Given all this, Peel’s retail ambitions might be argued to conflict with local need and aspirations – and thus with the very localism agenda it is keen to cite when promoting its ventures.

Example 4

19.34 Peel proposes to construct 9,000 dwellings, mostly apartments, at Liverpool Waters. It plans a further 15,000 residential units, also mainly apartments (“smaller living spaces”), on the other side of the Mersey, at Wirral Waters. Are these needed? Are they desirable?

19.35 Remarkably, Peel admits the following on its Wirral Waters website:

“\textit{It is true that there are presently more apartments in Liverpool city centre than the market can sustain.}\footnote{ibid}

What is more:

“\textit{Peel consider that this is partly because people do not have access to the finance they need, partly because too many have been built too quickly, and partly because many apartment schemes suffer a combination of poor quality design, poor community infrastructure, overpricing and a poor environment.}\footnote{ibid}

The Group does not suggest what ought to be done about these inferior, empty apartments – either now or in the future. The implicit suggestion is that these existing flats are a lost cause and must – presumably – be simply abandoned in favour of better flats. Written off in this way, they are in danger of becoming the slums of the future.

19.36 In answer to the question “Where are all the people coming from to live and work here?” Peel tells a Liverpool Waters audience:

“\textit{A major issue for the Liverpool City Region over the past few decades has been a decline in population, with an average of 10,000 people leaving the city each year in the 1970s. Today,}
the population of Liverpool has stabilised and now stands at around 450,000. Liverpool Waters provides an opportunity to attract and retain residents. Peel is working with the Council and specialist property agents to understand what types of homes are needed to attract new residents seeking jobs, retain existing families and residents, and encourage those who have moved away from Liverpool to return. The employment opportunities and private sector investment which will be generated from Liverpool Waters will also help to retain residents who may previously have moved away from Liverpool to take up jobs and training opportunities.472

19.37 Note that an upturn in population is neither predicted nor guaranteed by the developer. Peel is essentially catering for a future workforce (the size and nature of which, again, it can neither predict nor guarantee):

“The latest ONS sub-national population projections suggest this new trend will continue, but very slowly, such that by 2033 the population of Liverpool will have grown to 465,600.”473

and:

“It is widely accepted that the current economic climate sees that making accurate future projections and predictions about both short and long term future housing needs and demands is very uncertain.”474

19.38 Peel uses masses of official data to ‘support’ its housing case:

“One of the legacies of the historic decline in population and, until recently, a relatively static number of households is that the number of dwellings in Liverpool currently exceeds the number of households. Housing data collated by the DCLG estimates the current housing stock of Liverpool at 207,260 dwellings, exceeding the number of estimated households by approximately 9,000. However, housing data supplied by the Council to the DCLG show that some 65,000 houses were considered unsuitable for a variety of reasons - some 18,000 houses were considered unfit, a further 19,000 required repairs to make them suitable for modern standards habitation, 18,500 were described as low demand and approximately 10,000 had stood vacant for over 6 months. Therefore 31% of the existing housing stock is considered not satisfactory in some way…. DCLG suggests that in 2010, 11,733 dwellings in Liverpool were vacant. This represents 5.7% of the City’s housing stock and compares to an average of 4.4% for the north west of England.”

19.39 And it confidently summarises “the key issues currently affecting housing in Liverpool”:

• The long term trend of population decline in Liverpool appears to be stabilising, and even reversing. This trend is not uniform across the whole City however, and North Liverpool still continues to suffer from population loss. This population loss continues to be led by some of the most mobile members of the community;

• The number of households in Liverpool is predicted to significantly increase over the next 20 years;

• A significant proportion of Liverpool’s existing housing stock is characterised by low demand, oversupply and poor conditions;

• Vacant dwellings are concentrated in the inner core of the City where existing housing stock is failing to meet modern aspirations and requirements;

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474 Ibid
• The level of public sector / housing association ownership in Liverpool is significantly above both national and regional averages; and

• House prices in Liverpool are significantly below the national average."

19.40 This is all so much sophistry. Bamboozling people with volleys of facts and figures and claiming to have ‘diagnosed’ Liverpool’s housing problems does not hide the fact that Peel’s claims and assertions simply do not stack up, its housing statement contains inherent contradictions and there are glaring inconsistencies between the Group’s own rhetoric and what it plans to do.

19.41 Affordable housing is not, according to Peel, a priority for Liverpool:

“It is widely documented that affordable housing is not a significant issue affecting Liverpool.”

Liverpool City Council agrees: the S106 agreement attached to the Liverpool Waters application stipulates that 25% of the new homes built should be ‘affordable’ but offers two ‘get out clauses’, allowing the requirement to be waived if assessments show that a ‘lower or no provision’ for affordable housing needs to be made.

19.42 Population projections provided by Liverpool City Council, based on ONS projections published in September 2012, suggest that the population of Liverpool will fall 1.4% between 2011 and 2021 and that of the wider city region will rise – just – by 0.9%. No longer term projections are available but the sluggish trend seems clear enough.

19.43 Peel claims it can help to reverse the decline and ‘re-populate’ an area that hasn’t been ‘populated’ for residential purposes since the late Victorian era.

19.44 The conglomerate’s choice of housing (or ‘dwelling’) type also merits close scrutiny. Of the 9,000 residential units planned by Peel, 4,500 of them (50%) will be 2 bedroom apartments. 3,600 of them will be one bedroom units and just 900 will have three or more bedrooms. These latter are what Peel correctly consider to be ‘family’ housing. Peel intends most of them to be clustered in just one of its new ‘neighbourhoods’. In total, these units will cater to around 15,000 people. In justification for all this, Peel points to research which suggests that increasingly, people are living alone. Living spaces, therefore, need to be smaller. What Peel fails to acknowledge is that we have a rapidly ageing population. Are high rise flats the most suitable accommodation? Does Peel not have a problem with the atomisation of society?

19.45 The logic and evidence underpinning the Wirral Waters scheme – with its 14,000 residential units – is, in our view, equally spurious:

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475 ‘Liverpool Waters Housing Statement’. Peel Land and Property (Ports) Ltd. November 2011
476 ‘Liverpool City Council Population Projections based upon ONS Projections’. Liverpool City Council website. Published September 2012
“Wirral’s housing market is polarised, with rural and semi-rural, higher value housing in the west and parts of the east, and the Housing Market Renewal Initiative enveloping the dock estate in “Inner Wirral”. At present, in Inner Wirral, there is a large supply of relatively affordable, smaller (mainly terraced) units. A programme of intervention is planned for certain key stress areas, including Birkenhead North, adjacent to the Dock Estate. Wirral has not developed a town/city centre living culture to date, with only a small number of apartments and other schemes completed. To support a major upturn in economic fortunes in Inner Wirral and to attract higher value-added business sectors, additional high quality housing must be provided in sustainable locations. Wirral Waters offers an opportunity to deliver significant levels of high value apartment type housing in a dramatic waterside location, with “family” and other types of higher-value housing potentially deliverable around the periphery of the dock estate.”

Quite clearly, Peel is setting out to create (ie: contrive) a demand that is simply not there.

19.46 Peel people are not naive. If they plan to create a type and quantity of accommodation for which there will be no demand this will not be due to poor calculations on their part. It will be due to the fact that it does not matter to their ultimate interests. Moreover, given the proposed timescales for these projects, those responsible for hundreds of unsellable or unlettable properties will not be around to hold to account.

19.47 In a competitive market in a commercial world, Peel must – like every developer - battle its corner. The question is surely: to what end? The four instances outlined above suggest that Peel always has a very clear commercial agenda and this does not always accord with public need, preferences and priorities.

20] Public Perceptions

20.1 The opinion of the ‘man in the street’ (as opposed to ‘expert’ opinion) is all too often overlooked when it comes to major infrastructure development. Peel goes to great lengths in its application documentation to point out how extensively it has consulted with the public in drawing up its proposals but the fact remains that public awareness and involvement invariably remains low until planning processes are past any meaningful point of return – by which point the public can – at best – comment upon what is being offered. The conglomerate can then claim to have deferred to public opinion.

20.2 The Merseyside public do hold views about Peel and its ventures. These tend to be fairly polarised and are sometimes ill-informed, though some individuals do express more circumspect or qualified opinions.

20.3 The comments below have been extracted from a range of forums and chat sites – Liverpool Daily Post, Liverpool Echo, Yo Liverpool, Liverpool Confidential and Skyscraper City – over a period of time. Posted anonymously (using pseudonyms) and written in response to specific new developments highlighted in the media, they cannot be deemed to be in any way ‘representative’ of public opinion across the board. The overall pool of contributors (many of them ‘regulars’) is so small as to be barely significant. What is more, the authors may well have political or commercial agendas; some of them clearly have very narrow, possibly vested, interests or concerns. That most members of the public don’t feel strongly either way about Peel’s plans, has to be taken as a given.

20.4 Despite these caveats, the range of comments below does offer a snapshot of ‘lay’ opinion and argument. If nothing else, it demonstrates that:

- The public are not ‘soft’, to use the local vernacular – they generally see through PR and spin
- There is, nevertheless, confusion and/or disagreement over some of the basic facts and figures relating to Peel’s schemes and some of the public are poorly informed about the conglomerate and its track record on Merseyside and elsewhere
- Some have and express ‘blind faith’ in Peel, setting much store against the conglomerate’s claims and assurances
- The polarisation of the arguments (surrounding Liverpool Waters in particular) has worked – most contributors fall into one of two perceived camps: the ‘can do’, optimistic, pro-growth progressives and the ‘stuck in the mud’, anti-growth reactionaries.

20.5 Please note that the comments below express the authors’ views. They have been copied as written - grammar and spelling have been neither corrected nor edited.

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This ludicrous and overblown joke of a scheme is a site valuation exercise and little else. It has all the hallmarks of a student project, chucked into the Planning Department behind a giggle and a laugh. Its Peel that must be laughing as they quickly muscle this dross past the locals and then use the Council to bash central Govt over the head. Jobs? We won't see any. But Peel will squeeze every last 50p out of the value of the site and then they'll be off to spend the profits elsewhere. (FrankZappa on 20/06/12)

...this scheme doesn't integrate well with the rest of the city or meet the regeneration needs of north Liverpool... It's a scheme that becomes less and less convincing each time one of these 'presentations' occurs. Peel just doesn't seem able to raise its game to create a vision of a development that integrates well with the rest of the city and creates an urban fabric that we can all be proud of... Increasingly it looks like an attempt to increase the value of the land that Peel owns rather than a serious attempt to develop it. Why else would Peel consistently fail to address the legitimate concerns about the poor quality of the designs, the lack of detail about how this development will interface with the city's current economic development and regeneration needs... Anyone with the required software can knock out designs of pretend urban developments. What is missing from Peel's proposals is any sense that what's being proposed is based in current or likely future social or economic realities. It would be equally convincing to produce renders that showed Devils Bank turned into a 'mini Manhattan'... Peel needs to do much better or sell the land on to an organisation that knows how to integrate new developments into the socio-economic fabric of the city. Grosvenor shows how this can be done. (LinnetLane on 23/02/12)

Threatening tone.....if you dont accept it we will simply carry on with Wirral Waters and leave north docks derelict....is this really the right attitude. We will put Liverpool out of business if you do not comply ?????. (SSLiverpool on 23/02/12)

Call their bluff... They need to produce something that is truly world class and brings in real prospects of trade, industry and commerce on the site. The development as proposed is a high density motley collection of buildings designed to generate maximum revenue for Peel. 20,000 jobs - I don't think so.... Their self-centered posturing, threats and bullying tactics displays a remarkable arrogance... Let's have something that has the long-term interests of the city at it's heart rather than short-term profits for property speculators. (Cerberus on 23/02/12)

There are plenty of areas in central Liverpool that are being developed to the greater good of the city rather than Peel PLC. Allowing one company, Manchester-based Peel to dictate to the city and then threaten to withdraw its co-operation if it doesn't get its own way does indeed seem like a flashback to the past!!.. Fortunately the areas of growth in the city are getting on fine without Peel and it's not as though Liverpool has a land shortage!.. Liam Fogarty is right when he claims that Peel's Liverpool and Wirral Waters plans represent a discredited global model of property development that died the day Lehman Brothers went bust... Who would have thought that a Labour administration in Liverpool would be bending over backwards to accomodate them. (LinnetLane on 28/02/12)

Since the 1980's Merseyside has relied on the public sector to promote it as a place to invest, and broadly it has not been successful for a variety of reasons. The arrival of a major developer / investor brings with it an impetus to secure economic revival than no government can deliver. Peel Holdings with have to invest in considerable marketing for their developments and Merseyside as a whole to get their money back and a half way decent return. (RDavies on 28/02/12)
When I first heard that Peel would develop this site I was really excited and thought: “Finally someone with sense is taking it on”! This feeling changed when I saw the plans last Friday. I found them overblown and "showy" and random and I can understand now where the objections come from. Making it worse was the lack of detailed information in favour of gimmicky digital models and nicely rendered pictures with no substance... The article in the last Post only makes matters worse, as it seems Peel tries to blackmail the City into approving the scheme. Are they really going to abandon a project like this if they don't get their way? After all they shouldn't have planned the scheme to lure investors in, they should do an adequate masterplan for the site and the investors will come on board if it is convincing anyway. The Chinese investors won't have to live all their lives with mislead schemes agreed by a desperate council. I guess there are enough of those scattered around the city already. (Heredia on 28/02/12)

We should be telling [Peel] what they should do and not they telling Joe Anderson... The truth of the matter is they will flip this site to the highest bidder if they get planning permission granted... The editorial stance on this has been appalling it will also be thanks to them at the Echo and Daily Post if we lose World Heritage Site Status.........that brings us jobs. The fact is that Peel want to lose the WHS status because the value of their land goes up. (Vespers9 on 05/03/12)

Peel Holdings are an arrogant company. Where is the Liverpool fighting spirit telling them to deliver a 21c scheme that respects our WHS and does not destroy it.......are we that desperate to lose the WHS. We can have it all if we tell Peel to deliver what we want not what they foist upon us. It is our city not theirs. Why is everyone claiming the planning committee will pass it are they bought off or something surely they are their own minds. (Vespers9 on 01/03/12)

Delighted this has gone through, we have to think to the future. For me this doesn't affect the World Heritage site, that's untouched. If anything Liverpool Waters will make the Three Graces stand out even more... My major worry is the Government interfering - but in times of austerity what Government is going to block a private investment in the country worth £5.5bn pounds... "awaits public enquiry!" (PhilSee on 07/03/12)

I fully support the scheme. The tall buildings will be sufficiently far from 'The Three Graces' that they will not detract from them... The Tobacco Warehouse is actually an eyesore and will be improved by new buildings around it. The objectors fail to have the vision to see that new buildings can enhance the old. The reality is that this particular north docks site had no planning controls on it when in the hands of Mersey Docks and the site as a whole is a wasteland. (Liverpolitanian on 07/03/12)

Once again the DP is regurgitating Peel PR rather than critically evaluating it! Given the current and forseeable socio-economic realities of Liverpool just what will these 20,000 jobs (down from 30,000 for some reason) entail? Considering existing demands for office and residential space in the city where will the demand for Peel's offer come from? And how will it affect the rest of the city? More musical chairs?.. Since Whitehall made Manchester the de facto capital of the North West with all that entails in terms of a concentration of high level civil service jobs and the impact this has on encouraging the private sector to do likewise, Liverpool has struggled to attract such investment. So what is about to change? Is Whitehall about to relocate to Liverpool or something?.. Uncritically talking up a development without even remotely demonstrating how it can be seen as stemming from or addressing current economic realities is beyond the pale and further taints whatever is left of the DP's reputation for integrity. (Linnetlane on 23/02/12)
We should be telling [Peel] what they should do and not they telling Joe Anderson... The truth of the matter is they will flip this site to the highest bidder if they get planning permission granted... The editorial stance on this has been appalling it will also be thanks to them at the Echo and Daily Post if we lose World Heritage Site Status........that brings us jobs. The fact is that Peel want to lose the WHS status because the value of their land goes up. (Vespers9 on 05/03/12)

Peel only have to prove demand to their banks and investors. Not to LCC. There are thousands of boarded up houses in Liverpool, yet the council are building 2,500 new ones. Where is the demand? (MrD1979 on 23/02/12)

I feel we must trust Peel in this matter. (D Owen on 22/08/12)

If Peel were to commit 5 billion of their own money then this would be true but if Peel's job was to take fairly worthless land without planning permission and then convert it into mega valuable land by virtue of a friendly mayor granting planning permission then they would have made a mega fortune without any outlay. Sell of this land and take the fortune and still no outlay by Peel. Let us not confuse someone who can spot a nice little earner for minimal outlay with someone who will make a considerable input to achieve a good profit. (Not really true is it on 24/08/12)

Another case of the public being dumped on from a great height by a corporation when will it all stop. We dont want supermarkets, skyscrapers etc on every corner. build what the people want. (thepublic on 01/02/11)

This is all a public consultation that is a waste of time. Joe Anderson will see to that. A public inquiry would be the fairest route to bringing a fair and level playing field instead of council deals. Remember this is a World Heritage Site (Vespers9 on 01/02/11)

Whether you like Peel or not, Wirral/Liverpool waters are Merseyside's only real escape route over the medium to long term. They are the only realistic proposal that's on the table for creating comprehensive inward investment into the region. Everyone has to get behind these schemes 100% otherwise the city will have failed its many residents who have an unacceptably poor standard of living. (Ingo73 on 06/01/11)

This is fabulous regeneration project and if you dont like it and wish to continue living in a delapidated cesspit then try the third world. (DEANOSOFF on 01/02/11)

Talk, talk and more talk. (youngwing on 02/06/11)
…If Liverpool and Wirral Waters go ahead we could have a real future to look forward to, for a change. Liverpool was once a major player, why not again? (rover1 on 06/01/11)

These massive ships mean mass unemployment for the people of Merseyside. Goods from China and everywhere else, closed factories and imported food—all bad news. What we really need is REAL Free Trade—China and India put big taxes on imported goods—no free trade! (FrankNG on 12/12/12)

OK...time for Peel to put some cash where the paper work and plans are piling up...mind you I think its a Chinese business woman funding this so maybe it WILL happen...lets hope so. (Georgechristophermciver on 01/06/11)

Peel holdings? 20,000 new jobs? Does anybody believe this stuff anymore? I've got an idea...why don't the 20,000 people supposedly in line for the jobs, occupy the already existing vacant buildings in the city, then Peel can spend their bank loan somewhere else! Only 20 odd jobs created at Media City for local people so far! (AVIDPAUL on 26/01/12)

Hope this guy doesn't buy anymore of this region...it just lies dormant and derelict...nothing much moves with Peel unless there are government subsidies to help it along. Don't trust him. (SSliverpool on 13/02/12)

Good news. It would be fantastic to see trade on the river again—and let's hope those jobs are real, long term and local. The Mersey should be a working river, not just a pretty view. (BillytheMumblefish on 12/12/12)

Any project like this has to be welcomed by us all as a big positive for Liverpool. I personally do not think that the potential “harm” to the position of the three graces will happen. Whatever is built they will always be “the three graces”! No my problem is with Peel holdings and the way they appear to conduct their business. Why is it that any scheme put forward by this company is accompanied by rhetoric, bullying and outright threats to get their own way? In my opinion Peel Holdings think that they have got Liverpool by the throat and they can do anything they want with scant regard for any rules or authority. (icky on 01/03/12)

This will get built, when LFC win the Premier League and EFC win a trophy!! (Mr McClean on 22/08/12)

Why oh why is everyone so excited about a project that the developer has admitted will take 50 years to complete! That's 2062 everyone. How much could change in that time frame??? Blimey 50 years ago was 1962!!! Hardly a massive commitment to Liverpool. Liverpool One shopping centre took about 5 years to build. This docklands scheme isn't going to appear as fast as you hope. My guess is each building will be built from the sale of space/apartments in the previous building, Peel won't be pumping £5.5B into Liverpool in one go. So maybe we the citizens of Liverpool should be allowed a bigger say in the design. We dont need a legoland building on the docks. Peel need to step up their game and building something inspiring that will enhance Liverpool, not just please shareholders. (Lord_Liverpool on 26/01/12)

Sorry to say this—but the whole scheme is pure fantasy. (leonardoy1 on 01/03/12)
Most definitely bullying here by the mega rich Isle of Mann based tax exile Peel. I suppose if they did walk away to concentrate on the bit over the water then people would have to catch a ferry to go to one of the new jobs created instead of catching a bus down town... If I am totally honest, the buildings will not look that bad. What I have a problem with is that this big business is telling the city via Joe Anderson what the city is going to do. Truth is Peel need this more than the city does. If Peel were to start asking what would be suitable and stop telling us this is what is going to happen then it would be a start. (olderndwise on 01/03/12)

Why has this land grab monopoly been allowed to exist? Hasn't produced a single bit of good so far. Unless you call large board salaries for the same old faces good. (JanMolby on 22/08/12)

Well done Mr Kemp in highlighting the situation and obtaining a response from the reclusive Isle of man Tax Exile... In the letter is the first public acknowledgement that land will be sold off, and thus confirming what some of us have known all along that this is a land grab and the sooner the out of town shopping specialists get rid of the world heritage site.........then they can sell the land off to dodgy Chinese investors at a higher price... In the meantime Mr Peel continues to ship dockers jobs down the Manchester Ship Canal that he owns... Jack Straw the MP for Blackburn well has the measure of him, and why hasn't our leader who was elected on the promise of assisting Mr Peel and his glass pie in the sky scheme that will make him a fortune. (Vespers9 on 22/08/12)

Liverpool here we come!.. For argument's sake, let's set aside the reality that this scheme will result in the loss of world heritage status for the city.Liverpool Waters' two main components are flats and offices. 90% of the flats will only have one or two bedrooms and there won't be any provision for social housing. How does this mean the existing housing needs of the city? Liverpool Waters will increase by half again the amount of existing office space in the city at a time when demand is weak. Where will the demand for this provision come from and what will be the effect on the existing struggling office sector? Will Liverpool waters suck the life out of it?.. Cynical capitalists like Peel know that they only have to shout the word JOBS! in a poor city and judgement goes out the window regardless of how custard pie in the sky most of these jobs really are... Nothing except greed stops Peel from wanting to develop the central docks to a high specification the protects and adds to the existing built environment. Sadly it wants to build skyscrapers that will maximise the profits it can make regardless of how they will blight the world heritage site and cost Liverpool its world heritage status that other core cities would give their eye-teeth for. (Linnetlane on 01/03/12)

Let me start by pointing out that I am no lover of Peel holdings. In my opinion they are a pushy bullying company. Take a walk or a drive along Great Howard street and the dock road it's a rat infested eyesore. Something must be done to improve this area. I don't see companies falling over themselves to invest their money to build or improve this dump. If I had a choice I would much rather see social housing and some sort of technology, enterprise zone but were is the money to do this? Like them or loathe them Peel are the only game in town. It's a gamble, but a gamble I think is worth taking. Let's do it. (JOHN17 on 01/03/12)
Trouble is can you trust a bully not to leave you in the lurch when it suits them? I don't trust Peel one bit. They seem to say whatever they think will get them what they want and then spit their dummy out if anyone dares to disagree with their plans. We've seem them now for what they are and I don't like what I see. They can't be trusted. (lostinbootle on 01/03/12)

Given that Mayor Anderson and his administration sold this scheme as a masterplan to regenerate north Liverpool, this is a massive disappointment. What about the housing needs of locals? The Liverpool Waters scheme is mostly composed of one and two bedroom flats - will there be any social provision? It's good to see the council trying to set a few benchmarks but what has been achieved suggests that Peel is only paying lip service. Roll on the public inquiry. (Linnetlane on 02/03/12)

What is missing from Peel's plans and the general debate is where is the real long term economic benefit to the people and industry in Liverpool? Apartments, bars, restaurants and will provide monetary benefits to people and organisations outside the city with mostly low grade jobs for the city. No-one (least of all LCC), has asked US, what WE, would like to see at those docks. Liverpool has a growing new/creative media and hi tech sector. How about something along those lines? Silicon Dock anyone? Obviously that infringes on Media City and is unlikely. I wish Joe and the council would grow a pair and leave something of a lasting legacy to the city. Peel just want to make money and would be open to new ideas as long as there is profit, so there is no excuse for just accepting their plans without contributing. (worldzofpaul on 03/03/12)

You couldn't make it up. Most of the councillors on the planning committee represent wards in north Liverpool and yet if we are to believe the Echo (admittedly not the most reliable of sources within this city) they are set to endorse this scheme… Despite the fact the it represents the worst kind of speculative property development that doesn't provide any affordable housing for most people living in north Liverpool… Despite the fact that, if successful, it will suck the life out of the existing office quarter and turn it into a ghost town… Despite the fact that it will cost Liverpool its world heritage status… All to put money into the pockets of an out-of-town development company that promises jobs that have little basis in reality and more 1 - 2 bedroom flats that aren't needed!..Just when did the Labour party become the lapdog for carpetbagger capitalists like Peel?.. Tony Blair must have a big smile on his face that's all I can say. (Linnetlane on 02/03/12)

If they don't end up building it won't harm the site. If they do it is a project that could transform the regional economy. Canary wharf was empty for years after completion. Who knows where our economy might be in 20 years we might need more offices and flats and in the meantime we get a much needed capital project. I'd call peels bluff and say right there you are now get on with it. (Iain Scott on 12/10/12)

Let Peel clear off so someone else can build what is really needed, not lots of tower blocks full of empty offices and unsold flats that will become the slums of the future. (Blimey O'Reilly on 11/09/12)
Someone in Peel Towers seems to have gone absolutely mad with dreams of world domination. Towers in Salford, Canary Wharf in Wallasey, give it a few years they'll be turning Barton Aerodrome into Heathrow and building a bridge to the moon. I thought the media city thing was just PR spin, to get Salford on side and dazzle the BBC, but this hints at something else, they've got serious ambition to turn their north western assets into a lot of money. Where the thing all these jobs and money is going to come from I don't know. (Cherguevara)

I know, they try and come across like its all for the best, regeneration, jobs, "two great cities" blah blah blah, but its all about MONEY and how much Peel can MAKE and how much the rest of us SPEND on their product. I believe the technical term is GREED! (rolybling)

...people like us need to show the likes of Peel that we value what they are doing and have a positive outlook for the city rather than a bunch of narrow minded fools who hate/fear change. I don't see how anyone can whinge about 5.5 billion pounds worth of money being put into the city and transform derelict land into a small city within a city but obviously they will think of something. (John Matrix 1985)

Peel are bluffing - they don't have the money to invest and financial reliance on China is mistaken for the property bubble is all set to burst there as well.. Factor in there's no market for high-rise apartments nor willing mortgage lenders, competition from 1100 apartments by the more pleasant Garden Festival site (eventually), and the fact that we need affordable, practical yet dense family housing in this city, then Liverpool Waters will not get off the ground for a decade. Ever tried to get your kids into a decent school whilst living in the sky on Old Hall Street? (Here Comes Jonny on 12/09/12)

You describe Peel as 'the immediate threat'. I would have to say that is a strange description for a private business who want to plough billions into a decimated area at their own cost, enhancing a low level innocuous skyline and bringing listed docks ancillary buildings back into use in the process - oh, and ofcourse creating much need employment - in the thousands. 'Marry in haste' might have been relevant if the site they want to build on had only been cleared 6 months ago but it's been like that for decades so how long do we wait. How long do we deprive the people living in the area of somewhere of their own where they don't have to walk a mile South to see some life. (Ged on 27/07/11)

If they don't like the public enquiry, does that mean they have something to hide. No longer are we Liverpool, we are now Liverpeel. (Reader Xxx on 09/03/12)

I have to admit for every negative agenda [Peel] pursue, they counter that with a positive one. Sounds like a great idea and should have no problems getting through planning and overcoming residents concerns/objections. (house prices will rocket in that area) Buy now. (jrb)
Peel are primarily a LAND company. They are no dynamic creator of economic growth for sure. If they sold the land tomorrow another such company would step in their shoes. The hot air proposals, boy haven't we seen many of those, are to inflate the land values. Then they can negotiate with developers in a position of financial strength. Either selling land, which they will rarely do, or negotiating leases, which is their aim - which is taking in rent. The way our laws are Peel will making a killing, no matter what happens. The point is the type of developments that will emerge. The site is a world heritage site and this charter should be respected. Peel should go by the rules. It is a WORLD HERITAGE SITE. They know the rules. Conform to them and its gets built. That is not difficult to understand. They do not and produce tat plans and ten people run top their defense shouting about jobs. I find it amazing that the naive support a bunch of Land/property sharks who want to bend the rules. Peel do not have billions to spend. Forget that. They have LAND. Others will develop the plots. They will develop few. They will lease out land, and take rent and in some cases sell plots, making a wedge in the untaxed value of the land they acquired for buttons. This is unearned income. All very odd what Peel are doing - OR NOT DOING. Nevertheless, the land they own is still gaining in value. Wealth created from community activity, unearned income, which they keep untaxed, even though the land is derelict. (Waterways on 29/07/11)

Just realised, the date for this is 2037!! 31 years away. Think how many plans have come and gone in the last 31 years (since 1975!!). This is surely no more than a vision, that in making public they are trying to a) raise the value of the land and surrounding land b) fly the idea to see if they can get any investment. Peel made profits last year of about £15m I seem to remember, they are not going to be investing £4.5bn of their money - this will be a way of testing the water. In reality I very seriously doubt they have many concrete plans for this site at all. (Yorkie Stats)

You won't be around to find out if goes ahead, as the article says. Red herring all this. Now Peel have planning permission, the land that was worth nowt is worth zillions. (Rookie Wookie Hollow on 06/03/12)

John Whittike's Peel Holdings have an excellent track record on delivering projects, from proposals to finished product. We have seen the results in Peels ports, airports and property development. Sceptics said that they, Peel, would close the ship canal to commercial traffic and build condo's on the land. Instead we have seen the expansion of traffic and solid proposals for an inland container terminal at the Salford dock basin terminus. (Sloyne on Yo Liverpool)

Liverpool already has thousands of unlet offices (many on the waterfront itself) and huge numbers of decent-sized homes stand empty and boarded-up. Who wants to live in an overpriced cramped flat with the cooker in the living room? There is simply no demand for Peel's projected buildings. They will be nothing but white elephants with no point or future. They only make sense from the developers' point of view to get a quick profit and then clear off leaving the buildings in the hands of a separate management company to sell the flats or find tenants. (Blimey O'Reilly on 14/09/12)

Too much anti-development sentiment creeping in on this and other forums. Do the objectors want a continuation of dereliction, coal heaps and mounds of scrap metal? How about some alternative ideas! (Mickey Drippin' on 11/03/12)
Are Peel bankrolling Joe's re-election campaign? What kind of deal is this? Peel leasing land to the council (for what in return?) and the council will build temporary facilities on it. Is the only point of doing this to get a few headlines for Joe, that there have been a few turnaround cruises for his re-election campaign? This is no long-term plan at all. What a short-sighted mess this is going to be. Joe Anderson has a far to cosy relationship with Peel which I am very uneasy about and why I want this clown out in May. (red_town on 23/03/12)

Hey Redtown - why don't you give the council the land to build the needed facility? Oh right you don't have it - so keep it your anti-Peel mumbo jumbo to yourself. (Erascal on 23/03/12)

It's my right to ask questions when Peel have received some very favourable council assistance recently. (red_town on 23/03/12)

The main objections are not anti development, although that seems to be the easiest charge to make in the attempts to discredit people who after being asked to, voice an opinion that is in any way contrary to what Peel wants. The main objectors that I see, are all in favour of development but, sustainable and sympathetic development, not a cartoon imaginary scheme over 50 years that will most likely never happen. And we risk throwing away World Heritage Status against a threatening attitude from Peel who at the moment have secured and achieved one thing for the site. Namely, that by getting planning permission they have greatly increased the value of their huge land bank without so much as shifting a pebble. And they say nothing will happen until the recession has ended. They don't know what they are building or why they are building it and have no idea of the demand for these apartments and office blocks. Any walk through the city will show a few thousand empty city apartments and offices and we have already been told that we are beyond saturation point for hotel accommodation. Beyond that, the design for the buildings appears to have no class whatsoever. It is simply boxes of varying heights... If we aim to be a world class city, then how about some world class architecture and construction? And how about some proper published research on the sustainability and the alleged investors? (Emma Peel on 12/03/12)

We need to back these schemes and not dawdle, moan, in-fight and miss the boat like we've done with SO MANY things. Look at what Peel are achieving in Salford with MediaCity. Wouldn't it be nice to have something like that instead of abandoned docks in Birkenhead/Bootle. (HonestJohn on 06/01/11)

"Liverpool Waters will create thousands of jobs and opportunities for local people" – minimum wage security guards and caretakers for all the empty buildings. (I'll believe it when I see it on 04/03/13)

The only definite thing is that if it ever built, Liverpool Waters will generate mountains of taxpayers’ cash for Peel. Who pays to maintain their high-rise ghost town afterwards will almost certainly be the taxpayer. This is like one of those fantasy capital cities built by dictators in the middle of nowhere out of vanity which have to be propped up artificially because no-one willingly goes to them. Derelict within a generation or two. (Akhenaton on 04/03/13)
Why do you confuse a healthy dose of scepticism and objective criticism with being anti-progress? I want the best for this city, but I am not convinced that people like Peel do. (Anonymous on 04/03/13)

20,000 jobs? Can we have a breakdown from Peel Holdings as to what these jobs will be. People are working from home or in cafes or anywhere you can use a computer, so do we need all this office space? There are thousands of empty apartments, do we need 9000 more? A new Cruise Terminal that will benefit Peel Holdings if it gets built. This is Liverpool not Liverpeel and this grand plan is too vague to be believed, make it smaller, make it now, not in 50 years. (PhilipCoppelly on 04/03/13)

According to BBC Northwest tonight Peel has had the planning permission to build Wirral Waters since 2010. It’s now 2013 and nothing has been started, let alone built. Apart from a fanciful tabletop model that is. I am inclined to think that the thousand new trees being planted around the Wirral Waters ‘site’ will have died of old age by the time the first spadeful of earth is dug. (Peelogrady on 04/03/13)

Because there are rich pickings to be had for a few and because a city leader with too much power is lying on his back getting his tummy tickled by businessmen who probably laugh at him in private. (PaulWard on 04/03/13)

To read all the crowing you’d think they’ll be starting work tomorrow. Could this green light blight other potential regeneration sites across Liverpool and Merseyside. Let’s hope not. (Anonymous on 04/03/13)

Yes but, no but, nothing will be built on ‘spec’. Even Princess Dock has empty spaces and there’s not money to build there. So where is all the money coming from to extend northwards. If only spin was made of concrete and breeze blocks. (Anonymous on 04/03/13)

What a rather silly comment from Peel when they hit back at the scheme’s main detractors, UNESCO and English Heritage, saying: “Their studies and arguments have all collapsed and rightly so.” No, Peel, you are wrong, so stop being smart-arsy. All Wilfred Pickles has said is he won’t call a public inquiry on the outline plan. Wait till you start submitting individual planning applications. Of course if Mayor Joe sticks around for another decade or so he’ll support the plans. But English Heritage and Unesco and maybe the Department of Culture will have things to say. It ain’t over till the tall building sings. (Anonymous on 04/03/13)
PART 3

Conclusion
21]  Looking Ahead

21.1 Peel is nothing if not a dynamic and ambitious organisation and is clearly confident that its Merseyside schemes will go ahead. Indeed, if they don’t, Liverpool and the Liverpool City Region will be left with a gaping vacuum in the absence of any Plan B. Peel is well aware of this, as are most of the ‘movers and shakers’ across the sub-region.

21.2 The conglomerate’s confidence is warranted. The current direction of Government legislation and policy – particularly in respect of planning and the economy – is highly conducive to Peel’s aspirations and *modus operandi*. That the Government awarded Peel/Mersey Waters Enterprise Zone status signals its wholehearted approval and support for Peel’s ‘vision’ for the Mersey Waterfront. Indeed, it would be decidedly odd if the Government weren’t to support Peel’s plans.

21.3 Whether Government ministers and senior mandarins have any doubts about Peel Waters behind the scenes is almost academic. With pressure on to achieve economic growth, the current Administration cannot be seen not to back any major development which claims to offer a regeneration panacea.

21.4 Given that Wirral Waters has been given the green light and construction on the International Trade Centre is due to begin this year, once preparatory work on the site is completed, presumably only market forces will hinder or delay progress. It is essentially a *fait accompli* and Peel and Sam Wa are already marketing the centre to prospective tenants via a dedicated website. An undated press release issued by Liverpool Vision (effectively on behalf of Peel) in January 2013 suggested that interest was growing:

“Thousands of Chinese companies have said they are interested in moving into a planned international trade centre in Merseyside, its developer said today… Lindsey Ashworth, director of developer Peel, said he hoped to begin formally signing up tenants for the centre this summer… Mr Ashworth said: “Thousands of companies are showing an interest. At the moment, we are still getting declarations of interest in… The issue is not whether we can sign up tenants, it is getting people with quality products. I am taking 10-year leases and saying to companies they need to be patient and grow their businesses here… “The last thing we want is a building full of companies selling products which are not up to standard.”… Mr Ashworth said Peel will examine all companies which have signed “declarations of interest” in moving into the ITC and then select a range to best guarantee its long-term success… He added: “We have got to be very careful to get the proper mix of tenants… “We are getting all the declarations in, then we will sign them up. I expect we will start to sign them up in the summer.”

Mr Ashworth actually revealed little and promised less, via this statement. Essentially, he merely confirmed that Peel is ‘working on things’.

21.5 The press release quoted above concluded with an incidental comment:

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This was duly confirmed at the end of January 2013, when it was reported that Mr Ashworth had joined the head of Liverpool Vision (also project director for the International Festival of Business 2014) and the regional director at UK Trade and Investment, at the annual summit of the Confederation of Indian Industry for Northern India, in Uttar Pradesh. Peel is clearly working frantically to bring in the money required to finance its ambitious schemes.

21.6 The Liverpool Waters proposal was for months in ‘limbo’. A letter from the Head of World Heritage at the Department for Culture, Media and Sport, written at the end of January 2013, very clearly detailed the state of play at that time and the possible scenarios going forward:

“[It] is not yet known whether the possible planning consent for the Liverpool Waters scheme … will be confirmed. … Liverpool City Council are minded to grant consent for the Liverpool Waters Scheme. This is a formal decision on their part, but one that has to be referred to the Secretary of State for Communities and Local Government as a result of English Heritage’s objection to the scheme and because of the scale of the proposed development. /The Secretary of State, once he has considered the proposal, can decide not to intervene, in which case the City Council could then confirm consent and the scheme could proceed. Alternatively, he can decide that he wishes to take the decision himself, at the national level, in which case there will first be a public inquiry held by a planning inspector. Holding and reported on the inquiry could take up to a year. The inspector would then recommend to him whether or not the scheme should be granted consent and the Secretary of State would then take his decision, based on the inspector’s report. He does not, of course, have to accept the inspector’s recommendation. /The application was only referred to the Secretary of State in October 2012. His decision on whether or not to call in the case has not yet been taken… Should he decide not to call in the application, the consent which Liverpool City Council are minded to grant would be confirmed by them. A public inquiry, should that be his choice, could lead either to the application being turned down, or to consent being granted, possibly subject to conditions or to a minor modification of the application. Any substantial modification would likely require a new planning application to the City Council rather than being determined by the Secretary of State, although that could then be called in. Until it is known which of these alternatives will happen, there is little that can be done. /Peel Holdings have advised us that in the event of planning permission being refused for the current application, an option available to them is to abandon their attempts to regenerate this under-used and derelict land altogether and continue with current uses or those that do not require consent.”

21.7 Liverpool Council clearly regarded approval of Liverpool Waters to be a given. A very recent article on its news website, highlighting the appointment of a chief executive to the Council-supported and -subsidised Liverpool Business Improvement Districts Company, read:

‘One of Bill’s main tasks will be to develop strategic links with major stakeholders in the city and plug the BID company into wider regeneration issues such as Liverpool Waters and the

480 ibid
482 Letter from Francesca Conlon (Head of World Heritage, DCMS) to Kishore Rao (Director, World Heritage Centre, UNESCO). 30 January 2013
City Centre Strategic Investment Framework as well as events such as the International Festival for Business in 2014.  

21.8 There was ample time and opportunity for Liverpool City Region actors to examine Peel, its proposals, its claims and its promises more rigorously. There was certainly a pressing case for a full public inquiry, irrespective of how long such an inquiry might take – ‘act in haste, repent at leisure’, as they say. Nevertheless, the Secretary of State for Communities and Local Government announced on 4 March 2013 that he would not call the plans in, thus giving the ‘green light’ to the scheme. 

21.9 HS2 is a battle yet to be fought on many fronts up and down the country. It is curious that Peel has been publicly ‘stumm’ on the subject of whether a high speed rail link should or shouldn’t come to Liverpool. An angry blogger asked at the end of January 2013:

“How have Peel Holdings, Joe Anderson and Louise Ellman got away with this? Why did they not fight harder for Liverpool? The link should have gone to the Port of Liverpool. One of the reasons this blog was set up was to highlight the lack of foresight to wider issues and one of the first posts we did was a critique of the then Daily Post and Echo, and how they did not report that plans for a £500m planning application had been passed for Port Salford that would enable the owners of the Manchester Ship Canal to circumnavigate Liverpool.”

This comment is also noteworthy for the fact that Peel Holdings is placed on an equal footing with individuals democratically elected to represent and make representations on behalf of the Liverpool public. 

21.10 One Wirral MP believes it is essential that HS2 is brought directly to Liverpool – largely on account of Peel’s ventures on the Mersey:

“Tourism for our region is flourishing. Official 2009 figures recorded 48 million UK day visitors, with projected tourism figures of 55 million by 2013. And with over 13 per cent of all city visitors coming from London and the south-east, Liverpool has a basic requirement for a frequent high-speed service from London. The Liverpool SuperPort development for freight, lead by private investors Peel with a £300m in-river berth investment, will increase port capacity from 700,000 containers per annum to three million, creating over 4,000 new jobs. With this comes increased need for warehousing, storage and logistics. In fact, Stobart Group has announced a 100-acre expansion to its current operation at Widnes that will generate an additional 4,000 jobs and create a facility for national and regional distribution purposes that is highly attractive to major retailers. /These plans are potentially transformational for growth. Private companies want to deliver them, alongside government backing as an Enterprise Zone. The International Trade Centre on Wirral is due to turn a 64-acre site into somewhere over 1,000 international companies can showcase their products to UK markets. The centre is intended to act as a catalyst for investment into the manufacturing and logistics sectors, but without the relevant transport infrastructure, the HS2 and the Northern Hub, this growth won’t be possible. /HS2 is about uniting the country and spreading wealth and opportunities to areas that desperately need them. We need it to happen sooner rather than later and for all northern cities to have a link into it.”

21.11 The Campaign Director for HS2 North West wrote in summer 2012:

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483 ‘Liverpool BID Company appoints first chief executive’. Dale Street News. 1 March 2013
484 ‘Manchester High Speed Rail Link – The Biggest Threat to Liverpool since The Manchester Ship Canal’. Liverpool Preservation Trust. 28 January 2013
485 ‘Do the Benefits of HS2 Outweigh the Costs?’ Esther McVey MP (Wirral West). Total Politics. Undated
“HS2 will also allow Peel Ports to capitalise on the development of Liverpool2, which will see massive “post panamax” ships arriving at the Royal Seaford Dock container terminal. The freight capacity released on the WCML by the delivery of HS2 will play a crucial role in enhancing the capacity to move containers and other goods to and from Liverpool by rail. HS2 phases 1 and 2 will therefore be crucial in providing the rail capacity needed for the city to continue to prosper in future.”  

21.12 In late 2011, Peel submitted a response to the Department for Transport’s Proposal for a Sustainable Framework for UK aviation, calling for the Government to recognise the benefits that regional airports have on their local economies and develop aviation policies that encourage sustainable growth. According to the press release Peel put out about this:

“High Speed Rail is seen by the Government as a substitution for domestic and European short haul aviation, however, UK domestic aviation is almost non-existent. This scheme will simply bring greater economic benefits for a small number of airports and those regions to be served by High Speed Rail, at the expense of others.”

21.13 Others have suggested Peel is disinclined to support a direct Liverpool HS2 link – and for good reason:

“Right under our noses Liverpool is being bypassed. Peel Holdings have plans passed for Port Salford. They own the Manchester Ship Canal. Liverpool will be a container site. The industry will now be set around Manchester. Louise Ellman supports Peel in every way while waffling about future line changes that will never happen. In past times the railways went to the Port. All this while the Post & Echo do nothing. It does not look good for Liverpool to be a branch line of Manchester.”

21.14 When it was revealed in early 2013 that HS2 would not come to Liverpool, one frustrated observer wrote:

“It’s tragic that Peel’s plans are not being supported, our single biggest long term investor? Wirral Waters International Trade Centre already underway. Liverpool Waters and its associated Govt. sanctioned Enterprise Zone (no idea what business / industry is going in there, have you????). Whilst the Enterprise Zone timeframe is unclear, Liverpool Waters has a 30-year ambition. In 20-years time the HS2 line into Manchester will be opening. Just how has our exclusion undermined Peel’s ability to suck in investment to the City, and how do our MP’s in prominent Transport positions feel about this? There is time provided...

Peel, however, has made no public statement to date. It may well be that it is busy preparing a submission for the public consultation that will take place later this year. If not, it would clearly be helpful if Peel were to state and explain its position.

21.15 Grandiose claims have been made into the amount of investment Peel intends to pump into the Peel Waters schemes. The ball park figure is that, combined, Wirral Waters and Liverpool Waters will ‘cost’ in the region of £10bn. This is an absurdly round figure, which points to the impossibility of costing such huge, long term

486 Chris Howe, Campaign Director for HS2 North West. Liverpool Echo - Letters.10 August 2012
487 ‘Peel Airports Calls on Government to Rethink its Aviation Policy’. Peel Group press release. 9 November 2011
488 ‘High-speed rail will benefit Merseyside says Government.’ Liverpool Echo. 28 January 2013
489 ‘Life in the Slow Lane’. Seven Streets Blog. 28 January 2013
ventures. Correspondingly grandiose claims have been made about the wealth that will be generated as a result – a figure of £50bn has been floated but – again – who can begin to project such figures? Despite the casual claims made, the reality is that Peel has very little of the money needed to see these schemes through – it does not have a pot labelled “Peel Waters”. It is therefore currently doing what it does best – financing and refinancing, travelling to wealthy but unpredictable and problematic nations such as China and India in search of investment. All of this is, in our view, alarming. Peel appears to operate in a world of virtual finance.

21.16 It is Peel business as usual on a number of fronts. In November 2012 alone, several companies within the fold were rejigged, restructured or renamed for reasons unapparent to the ‘lay’ observer.

21.17 The conglomerate continues to keep its plans in the public eye, through a steady PR drip. On one day alone in mid February 2013, the local press obligingly ran two ‘feel good’ articles. The first announced that “1,000 jobs could be created by Wirral Waters automotive park scheme’, although a Wirral council spokesperson admitted that “no company is signed up or committed to the development yet”. The second revealed Peel’s plans for a streetcar system for the Wirral Waters campus. The announcements were followed up by a full page feature the following day. No doubt efforts will now be focussed upon spinning the Liverpool Waters narrative.

21.18 If proof were still needed that Peel increasingly presumes to speak for and on behalf of the Liverpool City Region, it came very recently. On 25 February, BBC News Northwest Tonight featured the London launch of the International Business Festival to be hosted in Liverpool in 2014 (Peel is a major sponsor of the event, which critics have suggested will be little more than a “PR puff” and a waste of public money). The piece cut to a speaker in Liverpool, who spoke about the city’s promising future and the strength of the car manufacturing sector in particular. The man being interviewed was Mark Whitworth, the Chief Executive Officer of the Peel Ports Group.

490 ‘1000 jobs could be created by Wirral Waters’ and ‘Peel reveals streetcar plan for Wirral Waters’. Liverpool Echo. 15 February 2013
Predatory Capitalism or Providential Corporatism?

22.1 Political and economic events over the past five years have forced a rethink of the very nature of free market capitalism. For the first time in decades, theorists and practitioners alike have begun to seriously challenge the received wisdom that capitalism works.

22.2 A textbook definition of capitalism will typically describe it as a form of economic organisation that “combines private property, a free market and the vast majority of the workforce in private wealth-creating employment”. These are precisely the kind of conditions, of course, under which Peel has grown and intends to thrive in future.

22.3 It is worth noting in this regard that although post Marxism and post Communism, capitalism has become the ‘norm’ – universally accepted, in the West at least, as the unquestionable route to economic prosperity and social well-being – it has long been recognised that the original model, involving individual entrepreneurs (SMEs, so to speak) operating in a truly competitive environment, “has been increasingly distorted by the growth of monopolies and multinationals”.

22.4 Moreover, it has become ever more apparent that globalisation is shorthand for ‘global capitalisation’, that the ‘global village’ is, in reality, little more than a ‘global market’ and that global interconnectedness is global interdependence, leading to all kinds of risks and vulnerabilities.

22.5 Following the effective collapse of the global economy around 2008 and a series of seemingly unconnected scandals since then in the UK – the banking crisis and its causes; the phone hacking saga and what it revealed about corporate governance and values at News International (at once, like Peel, a sprawling conglomerate and a family empire); more recent investigations into the tax avoidance practices of major international retailers and service providers; and what all of these revealed about corporate ethics in a globalised world – it is natural that the principles and values that underpin the capitalist system be re-assessed and debated.

22.6 The debate is not the preserve of the ‘loony left’ or ‘liberal softies’. Nor is it anti-business or anti-growth. As one commentator put it in late January 2013, “[Now] even the right is focused on capitalism’s flaws”. The public mood is febrile and there is growing hostility to rapacious, arrogant, bully-boy ‘capitalists’ - be they bankers, media moguls or purveyors of coffee.

22.7 Politicians of all persuasions have been keen to tap into this current mood. Anxious to demonstrate their ‘withitness’, the leaders of the three main political parties in

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492 ibid
493 ‘Now even the right is focused on capitalism’s flaws’. Nick Cohen. The Observer. 27 January 2013
England have been working hard to prove their credentials as champions of ‘good’ – “ethical” or “responsible” or “moral” – forms of capitalism. Labour Party Leader Ed Miliband laid down the gauntlet in his 2011 conference speech:

“Are you on the side of the wealth creators or the asset strippers? The producers or the predators? Producers train, invest, invent, sell. Things Britain does brilliantly. Predators are just interested in the fast buck, taking what they can out of the business. This isn’t about one industry that’s good and another that isn’t. Or one firm always destined to be a predator and another to be a producer. It’s about different ways of doing business, ways that the rules of our economy can favour or discourage.”

Mr Miliband went further, stressing that the ‘old order’ was now defunct:

“We need a new era of wealth creation in this country. But it will not happen with the old set of rules ... Don’t believe those who would tell you that the kind of economy we have now will help us to compete in that world. We can’t pay our way unless as a country we invent things, make things, and sell real services and products. Britain’s future will be built not on credit default swaps but on creative industries ... Not financial engineering, but real engineering.”

Liberal Democrat leader Nick Clegg picked up the theme a few months later, beginning a speech on the economy with references to “the evils of capitalism” and “irresponsible capitalism”. Perhaps, he said, “the penny has finally dropped”. The Liberal Democrats, he pointed out, “have been arguing for a more balanced capitalism for many years”. Mr Clegg was keen to stress that:

“whether you call it a new economy, an ethical economy, moral markets, responsible capitalism, there is a big difference between having strong views on bonus culture or excessive top pay and wanting real change in the practices and principles that guide corporate life.”

Mr Clegg made some interesting, if rather self-evident, assertions: that a crisis of power lay at the root of the crisis of capitalism; that the problem is one of so-called crony capitalism (“this is as much a failure of politicians and regulators, the authorities too often cowed by corporate power”); and that capitalism’s greatest danger has always been “a tendency for the rule makers and the money makers to get too close”. It was, of course, Peel’s relationship with “rule makers” and the nature and extent of its power and influence on Merseyside which gave rise to this report.

It is useful to measure Peel against the following statements made by Mr Clegg:

“Politicians in the pockets of vested interests, regulators asleep at the wheel, an unrestrained economic elite. The primary symptoms of crony capitalism.”

“We need tougher border controls between the political class and the corporate world.”

“Markets left to their own devices can generate huge concentrations of economic power: monopolies and cartels that cripple competition and act against the interests of ordinary people.”

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494 Ed Miliband. Labour Party Conference Speech. 27 September 2011
495 ibid
496 Nick Clegg. Mansion House Speech. 16 January 2012
497 ibid
“That is the core of a more responsible capitalism: power in the hands of people. Strong economic citizens able to keep vested interests in check.”

22.12 Mr Clegg also spoke at length about shareholder power and employee ownership and his ideas were not without merit. But how relevant are they to conglomerates such as Peel, that have few shareholders – very rarely public ones – and are extremely unlikely to entertain the notion of employee ownership?

22.13 Conservative Prime Minister David Cameron joined the debate just a few days later. In his speech – on “moral capitalism” – Mr Cameron acknowledged that “today many people are questioning not just how and when we will recover, but the whole way our economy works”. His solution was simple – “more enterprise, competition and innovation”. He spoke of a morality borne of a “direct link between contribution and reward; between effort and outcome” and about companies having their “obligations, too”. The prime minister revived the Thatcherite vision of capitalism, combining ‘social responsibility’ with ‘popular’ (ie: stakeholder) capitalism.

22.14 Again, it is interesting to assess the relevance of some of Mr Cameron’s statements against a conglomerate like Peel:

“Uncontrolled globalisation can slide into monopolisation, sweeping aside the small, the personal and the local”.

“[W]e’re busting open the cosy collusion between big business and big government that locks small businesses out of public sector contracts.”

“Capitalism will never be genuinely popular unless there are genuine opportunities for everyone to participate and benefit.”

22.15 Mr Cameron, like his Coalition partner, also spoke about making the market work by “empowering shareholders and using the power of transparency”. Again, it is difficult to see how these moves to empower shareholders and “use” the power of transparency would have any major bearing upon the corporate practices of a conglomerate like Peel.

22.16 Unfortunately for him, given subsequent revelations about their corporate affairs, Mr Cameron also said: “If you take a risk, quite your job, create the next Google or Facebook and wind up a billionaire, then more power to your elbow”.

22.17 On the day of Mr Cameron’s speech, Ed Miliband reminded the world that it had been he who had spearheaded the drive to fix the broken capitalist system:

“I welcome the fact that other leaders are coming onto the ground that I set out in my Labour Party conference speech about the need to tackle predatory capitalism.”

498 David Cameron. New Zealand House Speech. 19 January 2012
22.18 These senior politicians, vying to outdo each other on the ‘how to fix capitalism problem’, all appeared to broadly agree on the symptoms of the malaise but not on the causes or the remedies. One thing is clear, however: it is difficult to square their analyses and ‘radical’ solutions with the corporate structure and practices of Peel.

22.19 There is no universal definition of ‘predatory capitalism’ (or indeed providential corporatism); no list of criteria against which to assess corporations and conglomerates. It is a suggestive and evocative concept but it does not describe an absolute and is very much open to interpretation. Nevertheless, the notion has gained currency and traction and has been increasingly used in political and economic discourse. Ultimately, the phrase makes for a good populist soundbite. It certainly says something about the current Zeitgeist.

22.20 The imagery inherent in the phrase is powerful. By implication, it is a form of capitalism that is ruthless and rapacious. The predator consumes those further down the food chain. Where there is a predator, there must be prey. By extension: where there are winners, there have to be losers. That is capitalism. But predatory capitalism is more brutal; more ‘bloodthirsty’. Self-preservation and/or survival are what incentivise the predator. In short, it is out for itself. This is, so rhetoric goes, the very opposite of responsible capitalism.

22.21 In 1999, an academic examined how European Structural Funding had been used (and arguably abused) on Merseyside. He employed the imagery of the jungle to illustrate his point:

“As a means to caricature the situation on Merseyside the analogy of the law of the jungle is appropriate. Use of the following metaphor is an attempt to crystallise the process that has been taking place. The dominant felines (public and quasi-public sector agencies) rule as they carefully prowl and meticulously observe their prey (EC resources). When the opportune time arrives they attack and firmly fix their sharpened teeth and razor-like claws into the helpless beast. They then gorge themselves on a prolonged feast, while their ravenous rival competitors (private, community and trades unions and civil society) wait impatiently to feed on the carcass that remains. While not arguing that such a natural law exists on Merseyside, the comparison is useful in depicting how the dominant actors are able to use their strength and power to obtain the lions’ share of EC funding, while others are left to pick up the scraps left behind.”

22.22 Attention has turned more recently, and more narrowly, to corporate taxation culture, with the focus upon international conglomerates that engage in ‘sharp practices’ to feed off the UK economy. Tax avoidance has come in for particular criticism and major global ‘untouchables’ such as Amazon, Google and Starbucks have all been scrutinised, their senior executives caught unawares when grilled, vilified and/or boycotted by reactionary politicians and indignant consumers.

22.23 Tax avoidance, in a nutshell, is the use of legal means to reduce an individual’s or an organisation’s current or future tax liabilities. There is no doubt that Peel practices it. Whether this is done deliberately or as a mere incidental ‘perk’ of locating parent...
companies off-shore, is wide open to debate. The end result – and the public perception - is the same. Until recently, tax avoidance was simply regarded as clever business practice in corporate circles. It has spawned a worldwide industry and is, of course, still widely encouraged and facilitated by tax havens dotted around the world.

22.24 Last month – February 2013 – the Government announced a clampdown of sorts on tax avoidance. Chief Executive to the Treasury Danny Alexander MP said:

"The Government is clear that aggressive tax avoidance is totally unacceptable. That's why we are closing loopholes, bringing in a new General Anti-Abuse rule, and investing hundreds of millions of pounds in additional funding to help HMRC clamp down. These new rules are another significant tool as they will enable Government departments to say no to firms bidding for Government contracts where they have been involved in failed tax avoidance."  

Francis Maude MP, Minister for the Cabinet Office, echoed the sentiment:

"This Government is dealing with the unprecedented deficit we inherited, and that's why it is only right we ensure that only companies which are meeting their tax obligations can win government contracts. We will continue to put value for money at the heart of our procurement practice as we drive millions of pounds of savings for the taxpayer. These new rules provide a framework that allows departments to promote tax compliance through the bidding process."

Closer examination reveals that these are timid measures indeed – but may well have future ramifications for Peel, which has previously secured large Government contracts.

22.25 The Chancellor has loudly declared war upon tax avoidance, explaining:

"[T]he principles governing tax for multinational companies have barely changed since they were developed by the League of Nations almost a century ago. As a result, some large multinationals are able to restructure their business to avoid paying their fair share in tax. Some are exploiting the rules by getting profits out of high tax countries and into tax havens, allowing them to pay as little as 5% in corporate taxes while smaller businesses are paying up to 30%. This distorts competition, giving larger companies an advantage over smaller domestic companies. People are rightly asking for something to be done."

He has called upon his counterparts around the world to join the drive to tackle “profit shifting” by multinational companies:

"This year, we have an opportunity to turn concern over tax avoidance into a catalyst for change; creating a competitive tax system that supports businesses, but where everyone pays their fair share. Through our role in the G20 and our leadership of the G8, we can ensure this change benefits Britain’s taxpayers and also helps meet our commitments to the poorest in our society."

22.26 For all the Coalition’s noisy declarations, the problem with the worst tax avoidance offenders is that they operate – very openly and quite legally – in a global market. With the best will in the world (and it is debatable whether the will does actually exist

502 ibid
503 ‘George Osborne: Why I am committed to global tax reform’. The Observer. 16 February 2013
504 ibid
to risk alienating the moneyed elite) the UK government is limited in the extent to which it can control the behaviour of cross-border conglomerates which practice tax avoidance as a routine part of their business model. It is naïve to pretend otherwise.

22.27 Given all this, UK politicians might be better channelling their efforts into companies operating on-shore whilst using off-shore crown dependencies to dodge their obligations. The Peel Group is precisely such a concern. It is a UK conglomerate which chooses to siphon its profits away from the reach of the UK tax jurisdiction. That is surely something the UK Government can and should tackle.

22.28 Another point is worth making. The big name corporations cited above sell products and/or services. Consumers can exercise purchasing power and business decisions must take account of that. The risk of reputational damage was sufficient for Starbucks to make the right noises.

22.29 Not so with Peel, which deals in business to business trade and usually remains far removed from the individual ‘end users’ of its assets. Even where there is the appearance of consumer-driven business (in its airports, for example), customers wield little real consumer power. Individuals are unlikely to refuse to use an airport ‘on principle’, if they need to fly from A-B and Peel’s airport is the only departure or arrival point on offer. Similarly, shoppers may protest against the corporate practices of a particular high street retailer but they are unlikely to protest against the shopping centre landlord, who remains hidden behind the scenes. In short, Peel is largely impervious to consumer opinion.

22.30 Peel would clearly much rather be perceived as a practitioner of what might be described as ‘providential corporatism’; a shining example of big business working in close partnership with the state in pursuit of a supposedly shared goal. The Peel Waters schemes have been repeatedly held up as evidence of this, with the local authorities working in happy and enthusiastic union with the conglomerate:

“This demonstrates what can be achieved by a progressive Labour Council working in partnership with business.”

22.31 All of this presupposes that Peel’s interests and the public interest are one and the same thing. A few years ago, a journalist for Ethical Consumer magazine wrote a piece entitled “Peel under the Spotlight”. It was an attempt to scrutinise Peel’s corporate practice from the point of view of environmentalism. Although limited in scope, the piece successfully demonstrated how Peel had offended the heritage lobby, had been granted permission for the Liverpool Waters “with only the flimsiest of planning restrictions restraining the developer” and was responsible for “industry in Liverpool’s north docks … causing health problems in the local community”. The writer suggested that Peel’s claims to be committed to leaving a lasting social legacy did not square with the company’s off-shore registration arrangements. In a section entitled “Dirty Energy, Dirty Tricks”, she argued that Peel’s “environmental credentials are fairly dubious”, pointing out that its low-carbon impact wind generation was more

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505 Email from Councillor Nick Small, Cabinet Member for Enterprise and Skills, Liverpool City Council. Posted on Liverpool Cllr Louise Baldock’s Blog. 20 March 2012
than cancelled out by its aviation interests and its coal and biomass ventures. She pooh-poohed Peel’s claim that “engaging with the communities in which it operates has always been central to its approach to sustainable growth”, suggesting “Speke residents however tell a different story”. She pointed out that “Peel led the successful campaign [in Manchester] against the introduction of congestion charges”. She alleged that Peel’s proposals for a tidal barrage in the Mersey and the extraction of peat at Salford Mosses, which Peel owns and plans to develop extensively, cause or risk causing untold environmental damage, including habitat destruction and increased carbon emissions. She suggested, in short, that over and over again Peel had showed scant regard for local communities and environments.

22.32 Our own research has shown that although Peel ‘talks the talk’ when it comes to social responsibility, trustworthiness and wanting to give something back to the community, its actions have often belied its rhetoric.

22.33 Graham Jones, the Member of Parliament for Haslingden and Hyndburn, has been forthright in his condemnation of Peel, with “their reputation as a predator company”. He has described the conglomerate as “[p]redator capitalists willing to bend the rules via the back door, exploit local people and the democratic process for commercial gain.” Mr Jones emphatically did not intend this as a compliment but it outhn’t to be assumed that big business mentalities will be privately outraged by the label. They see themselves as winners, not losers; as strong, not weak. Witness Bob Diamond, the former Chief Executive of Barclays Bank, widely held to be arrogant, shameless and lacking in humility or modesty.

22.34 Peel is now so enmeshed in the economy of the sub-region – such an integral part of the proposed ‘solutions’ to its problems – that to question or to challenge the conglomerate’s motives and intentions is effectively to be negative, or hostile to progress and growth. This is a pernicious and reductive argument but it is one that prevails.

22.35 The subtitle of this paper is a nominally rhetorical question: ‘Predatory Capitalism or Providential Corporatism?’ We did not choose it lightly. Our findings, we think, speak for themselves. It is for the reader to decide which best describes the Peel model.

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506 ‘Peel Holdings can’t assume they can have all their own way’. Graham Jones MP website. 17 April 2012
23] Concluding Remarks

23.1 We do not wish to repeat here arguments and hypotheses made or implied in the main body of the report but we are keen to highlight a number of points:

23.2 Peel is almost certainly no better or worse than many similarly structured conglomerates. Indeed, our incidental observations of the many corporations with which the Group does business confirmed that it conforms to a standard model.

23.3 As a research organisation committed to serving and upholding the public interest on Merseyside, however, we felt compelled to focus upon the Group because of: its extensive ownership of key assets across the city region; its historic and ongoing receipt of public subsidy in pursuit of its – ultimately, private – interests; its increasing power and influence when it comes to the actual and de facto governance of the sub-region; and the subsequent role it is currently playing in determining (quite literally, ‘shaping’) the sub-region’s physical and socio-economic regeneration. We believe the LCR public have a right to know something more about the Peel empire than that provided by its spin doctors.

23.4 We also felt the time and the mood was right to conduct such a study. The general public has become savvy to corporate greed and stealth, thanks largely to the banking crisis and the phone hacking scandal and their aftermaths, and people are no longer prepared to passively, unquestioningly accept irresponsible and unethical corporate behaviour. The tax avoidance practiced by global retailers and service providers has recently come under the microscope and calls for something to be done about it are voluble and angry. The focus has been upon ‘multinationals’ in a global market because they are the obvious transgressors – but what of ‘domestic’ conglomerates operating and profiting in the UK but based, for taxation purposes, in off-shore crown dependencies?

23.5 In a key 2012 speech, the Business Secretary Vince Cable described tax havens such as the Isle of Man, the Channel Islands and the Cayman Islands as “sunny places for shady people”. The Isle of Man is not known for its sunshine but it is where the bulk of Peel’s wealth is held. The Channel Islands and the Cayman Islands are also Peel depositories.

23.6 By using its vast wealth, actual or perceived, to wield power and influence – and by focusing upon key regeneration and infrastructure projects in often deprived areas - Peel is effectively (if not consciously) holding local and national government to ransom. Local authorities on Merseyside and elsewhere have seized upon Peel’s offers of ‘investment’ largely because they have been the only offers on the table. As has been repeatedly acknowledged in Peel planning applications: “There is no Plan B”. Peel knows this, and has used its ‘clout’ to secure commercially advantageous deals.

507 Rt Hon Vince Cable MP. Liberal Democrat Conference Speech. 24 September 2012
23.7 According to political and economic theory, the power of capitalism derives from the ownership of capital. Peel is a classic example – and because it is essentially owned by a single individual, it represents an extreme concentration of economic and political power. In other contexts, John Whittaker would be described as an oligarch.

23.8 For all the rhetoric being spoken in political circles, we feel it is unhelpful to anthropomorphise collective commercial entities and to speak of ‘morality’ in relation to business. Peel can ‘feel’ no moral obligation to communities or society, no matter how often it might insist it does. Its glib, sometimes condescending, approach to community engagement, its tendency to turn bullish when legitimately challenged by public sector interests and its feeble efforts in respect of charitable giving, all reflect this.

23.9 ExUrbe has repeatedly expressed general concerns over the growing power and influence – and access to taxpayer-funded resources - of the Liverpool City Region Local Enterprise Partnership. Private-sector led, it is accountable to no one and we do not see this as the way forward for sub-regional governance. That this board of just twelve includes not one but two dyed-in-the-wool 'Peel' men, one of them sitting as chair, is – in our view - extremely disconcerting. In the absence of transparency and accountability, it paves the way for actual or perceived conflicts of interest. If nothing else, it provides Peel with a ‘direct line’ to Liverpool City Region local government leaders and facilitates cosy backroom chats amongst friends and colleagues, arguably to the exclusion of other corporate players on Merseyside.

23.10 The Peel Group has received tens if not hundreds of millions worth of pounds of public subsidy over the years on Merseyside – largely (but by no means wholly) through European Structural Funding. The jury is out on how well that money was spent. Now that the cash is drying up, the conglomerate has set its sights on less direct means of subsidy – such as securing Enterprise Zone status – as well as Regional Growth Fund investment. The gravy train continues.

23.11 We are not in a position to act as judge and jury on Peel – not least because there is a great deal about the conglomerate we simply cannot fathom. What we can do – and hopefully have successfully done – is demonstrate why this complex organisation ought to be less obsequiously deferred to and far more rigorously scrutinised and challenged, particularly in respect of:

- its financial arrangements
- the extent and complexity of its corporate structure
- its experience and ‘track record’ on delivering major development projects
- the credibility of the evidence it produces in-house or via paid consultants to support its causes
- the power of its PR machine

23.12 In light of our findings, we are appalled – if not surprised – by the Secretary of State’s decision not to initiate a public inquiry into Peel’s Liverpool Waters application. For such a huge and contentious scheme (with such potentially far-reaching, long term impacts) not to be subject to full, open and inclusive examination is, in our view, patently undemocratic.
23.13 Peel is clearly not ‘the best thing since sliced bread’. However, if national and local decision makers, the LCR public and local business concerns on Merseyside are prepared to turn a blind eye to Peel’s corporate practices, or to overlook the many questions that hang over its record, because they believe Peel offers a panacea that will ultimately serve the ‘greater good’ across the Liverpool City Region (or serve political interests in Merseyside town halls or in Whitehall) then so be it. We merely seek to highlight the fact that this huge autocratic, monopolising machine is not quite the ‘local hero’ it would have Merseysiders believe and no one, it seems, is truly holding it to account.

23.14 Lessons learned through this insight into Peel (about some less edifying aspects of modern capitalism, for example, or about the corrosion of local democratic governance) are, in our view, lessons for all. Although our focus has been upon Peel’s activities in the Liverpool City Region, we are hopeful our findings will prove of relevance and interest to a wide and diverse audience.