

PRESENTATION TO PROFESSIONAL LIVERPOOL

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1987 to 2017 – How Liverpool’s professional community helped kick start an economic miracle 30 Years ago

‘Merseyside is in a mess – and it is going to get worse. As for Liverpool, the same is true – only more so.’ Those were the opening words of leading economist Professor Patrick Minford’s introduction to the September 1986 edition of the Merseyside Economic Prospect, published by the University of Liverpool’s Department of Economic and Business Studies.

I don’t know how many of you here today were living and working here in Liverpool or elsewhere in Merseyside in those grim mid 1980s (probably not very many?) but I certainly remember it vividly. Because towards the end of 1985 the senior of management of Deloitte Haskins and Sells in London picked on me to take over as the Senior Partner of its quite large Liverpool office (over 20 resident partners at that time). I don’t quite know what I had done to deserve it but, from a very sheltered and relatively prosperous existence as their Senior Partner in Jersey I found myself parachuted in to Merseyside as from the Spring of 1986.

The economic conditions here at that time, and the prospects for the future, were pretty depressing for anyone moving into the area. Of course, like many others up and down

the country, we had heard all about Liverpool's public funding crisis, and the confrontations between central Government and the local Council. At one stage it was headline news on the national media night after night, and eventually brought Liverpool to the brink of bankruptcy, as Michael Parkinson described so graphically in "Liverpool on the Brink".

So bringing a family here at such a time was a daunting prospect. Despite the recent efforts of Michael Heseltine, as the Environment Secretary at that time, the excellence of the International Garden Festival in 1984, and the promising start made by the Merseyside Development Corporation on Albert Dock, business confidence in Merseyside was still at an all-time low. And if we still had any illusions about how this all impacted on the local economic and the business community, it very soon became clear to my wife and me from the giveaway house prices. So gloomy was the apparent outlook for the area that there were large family properties on the market, even in such places as Formby, Freshfield or the leafy parts of Wirral for little more than £100,000. What is more, everyone who we spoke to asked us the same question: 'Why on earth are you moving here?' Why indeed!

But there was a certain something about the Liverpool area, the character, friendliness and humour of the people, their innate strength and fierce competitive nature (reflected in the dominance of Liverpool and Everton Football Clubs at that time) and the creativity and allure of the arts and cultural scene. Unemployment may have been soaring and stubbornly long-term – but the entertainers, the musicians and the comedians were all pulling in the punters; theatres, art galleries and museums abounded; and ever since the Beatles had burst onto the global music scene in the 60s

Merseyside was still very much the capital of pop. Our teenage children couldn't wait to get here!

To friends down South who had told us we were in for a culture shock we soon had this to say 'No not a shock, just a wonderful surprise.' And so we came, we bought and we stayed.

Now that was just one family's story at that time. But it was soon apparent that a few others – not very many, but a few others who had been appointed to senior roles at that time - were going through a same kind of experience: newly appointed bank managers, university vice-chancellors, accountants and other fellow professionals. People like Brian Thaxter of Barclays, Graeme Davies and Peter Toyne at the Universities, Tim Johnston at KPMG (in those days), and Rob Toomey of 3i, the industrial and commercial funding corporation. (in a two-page feature three years later, the FT dubbed us "The Class of 86!"). What we all shared – pretty soon after our arrival - was a realisation that the place was being seriously undersold. People all across Merseyside, who had lived in the area all or most of their lives, were weighed down by the economic decline that had followed the regular closures of major plants and branch offices through the 60s and 70s, the constant round of redundancies, growing unemployment, poverty, restlessness, strikes, crime, pessimism, depression. A vicious circle of decline that suited nobody.

And it certainly didn't suit us – posted here to make of what we could of our branch offices or plants, some of us perhaps with more than a hint that they were likely to be condemned to closure before long anyway. In the professions, however well we

performed in these conditions, we lost clients – not to rival local firms but because the client themselves were closing and relocating usually to the South.

But perhaps it was easier, or clearer, for those new to Merseyside to see what the real issues were. And it did not take long before some of us – out of desperation more than inspiration – started to ask what could do to help reverse (or at least to stem the tide). Very soon, not only us in Deloitte but our counterparts at Arthur Young, at PKF, at Grant Thornton and in other leading local firms, were meeting informally – and then somewhat more formally in the Liverpool Society of Chartered Accountants office – to share ideas.

Behind the murky veneer of the depressed economic perceptions, there still lurked some innate strengths to this city – its Port, its wonderful waterfront, its radical and creative mentality, its academic institutions, its worldwide renown. Out there had to be a market to which some or all of these qualities could be made to appeal, and as a firm believer in the power of the written word, I had already been contemplating a publication – for our own firm to use for encouraging inward investment – entitled Business Opportunities in Liverpool. I was soon put off that title when one of my colleagues pointed out that its acronym would be BOIL, so it quickly became Business Opportunities on Merseyside, which of course does spell BOOM. That name soon captured people's imagination, particularly the accountants amongst us, and as our firms all shared a common desire to do something significant to improve the profile of the area, it made sense for us to work together under that banner on behalf of the Liverpool Society of Chartered Accountants.

Very soon others in the professional and business community expressed their interest in supporting the initiative. And the first official planning meeting took place in February 1987 – exactly 30 years ago. It was agreed to establish a formal membership structure and the solicitors Alsop Wilkinson (part of the global giant DLA Piper these days) agreed to deal with the formalities of our incorporation, as a Company Limited by Guarantee. The founding directors included Nigel Packer (then LSCA President) and myself for the accountants, Professor Michael Parkinson from the University, John Deakin of Royal Insurance, Stanton Fuller of the Wavertree Technology Park, Jack Stopforth (formerly of the Merseyside County Council), and Harry Thomas representing Littlewoods. I was elected Chairman and from then on we held regular monthly Board meetings, quarterly members forums and of course an AGM which was invariably very well attended. The initiative, and its corporate entity, was to last 6 years until it eventually merged in April 1993 with bodies such as the Merseyside Development Corporation and Mersey Tourism Board – to form The Mersey Partnership. But more of that later.

For the time being, back in 1987 and the origins of BOOM. A membership structure was soon developed, with different levels of membership – I remember it was £2000 for the larger organisations right down to £100 a year for small businesses. Our funds were boosted early on by a one-off grant from the Merseyside Task Force, but otherwise the initial funding came almost entirely from the private sector, a large proportion of it from professional service firms. With much of the management time and expertise we required being provided on a pro bono basis; with publications and events never short of local companies readily willing to sponsor them; and with the ability between us to

effect introductions to key politicians and intermediaries, and to share some of our national and international connections, BOOM got off to a flying start.

We were soon well placed to hold high profile conferences in Liverpool and London, and to host major tours of Merseyside for large business delegations. Some of these comprised over 100 business representatives, often with partners coming too, and staying the weekend. Grand National weekend proved a particularly popular time for attracting prospective investors – although I don't think many of the investments they made at Aintree proved particularly successful! We also staged numerous visits to museums, galleries and other places of interest and the goodwill engendered made a huge difference to the reputation of the area, as well as giving a rise to a steady flow of investment enquiries which were passed to the relevant local authority or to the Merseyside Development Corporation, according to the nature and requirements of the particular project.

Our property tours proved especially worthwhile. With the involvement of leading property specialists, such as Edmund Kirby and Matthews & Goodman, with the local authorities, and with the backing also of the MDC, English estates and other developers we held some very successful, well-supported property tours. Visitors from London and elsewhere were amazed at the rental values being quoted and the development potential, and I believe the seeds were sown for some very significant private investors to show further interest in the years ahead. The likes of Grosvenor, and Peel, were not doubt watching and waiting.

So the BOOM initiative wasn't just about accountants, but solicitors, surveyors, architects and other professionals working together to support the common cause. Smaller gathering of key decision makers and opinion formers also took place, and one of these, held at London's Royal Horseguards Hotel, proved particularly significant. We chose to hold a working lunch there, just across from the House of Commons, with the specific aims at attracting all Merseyside MPs – Conservative, Labour and Liberal Democrat – and convincing them of the vital importance of a unified approach to projecting a positive image of the area. This particular meeting was one of the very rare occasions (some said it was the first for many years) where every one of the MPs was present. And I remember clearly the feeling of satisfaction we had when one by one they thanked us afterwards for setting it all up.

So our politicians were very involved, and this kind of dialogue with policy makers was a key element in our campaign to change behaviour and influence policy. One outcome of that particular Royal Horseguards event was the establishment of BOOM's own Parliamentary Advisory Committee which from then on met regularly over the next 3 or 4 years and enabled us to play a small part towards the development of more cross-party consensus on Merseyside concerns. The high profile confrontational Merseyside politics, which had for years brought huge damage to the region's reputation as a plausible location for business investment, was now becoming much more consensual or, if there did remain fundamental differences, at least the parties were more inclined to air these differences behind closed doors rather than through newspaper headlines.

All of this inevitable took up a fair amount of our board members time, and those of us who had other responsibilities in our day jobs had constantly to justify our existence to

colleagues. We were also fortunate to be allowed access to support from Deloitte's lively marketing manager, Blake Martin, and the recruit a very able and experienced administration team in Angela Roberts and Margaret Bowker (both of whom subsequently worked for the Mersey Partnership as some of you will no doubt remember). The realisation that what we were doing was so essential and beneficial for attracting business to the city and region was the principal motivation.

Armed with this enthusiastic and dedicated team, we set about organising further high profile events up and down the country. We held a one day conference at the Barbican Centre in London which was addressed by Lord Michael Heseltine, who as mentioned earlier, had been very active as Environment Secretary, had devoted a great deal of time to addressing Merseyside's issues - and famously been dubbed the 'Minister for Merseyside'.

Certainly it was Michael Heseltine who we will always associate with beginning the renewal of Merseyside, even though for much of BOOM's existence we saw more of people like the Inner Cities Minister, a young man called Kenneth Clarke, or the local Government Minister, an even younger guy Michael Portillo. I haven't seen either of them here recently but Michael Heseltine still returns to Merseyside fairly regularly, particularly to the University where the dedicated Heseltine Institute carries out some excellent thought leadership and policy work in his name. I remember taking with him on one of his visits, not long ago, and he recalled what he described as the "terrible lack of leadership" during those dark days of the 1980s. "Everybody talked about the problems" he said, "but nobody suggested any solutions". Well, Michael Heseltine did himself come forward with solutions and he used the BOOM events at which he spoke,

to point the way forward and he certainly gave us great encouragement. He truly was the 'Minister for Merseyside' in every respect.

And Lynda Chalker, then the MP for Wallasey, also played a huge role in promoting our work, particularly during her time as a Minister at the Foreign Commonwealth office when she hosted high level functions and overseas delegations – constantly encouraging interest and support amongst national and international politicians. And it was Lynda Chalker who persuaded the Prime Minister, Margaret Thatcher, who was not exactly known for her love of Merseyside, to write the very positive Foreword to one of the annual BOOM brochures we distributed.

We were certainly helped on our way by some pretty high profile supporters. Quite early on in the life of BOOM we had attracted the interest of His Royal Highness the Prince of Wales who, in his capacity as President of Business in the Community, came to what was billed as a 'BOOM Planning Meeting' in the old Deloitte offices in Richmond House, Rumford Place. This was another defining moment for us, for although I don't recall much actual 'planning' being done that day, HRH presence ensuring that we also had some very senior executives from major London institutions as well as the top brass of key Liverpool companies such as Littlewoods, Royal Insurance and Mersey Docks, to name a few.

Needless to say, that Royal visit grabbed the headlines in the Daily Post and Echo, as well as being covered by a number of the nationals. Prince Charles also provided the Foreword to two of four annual brochures and he continued to take a close interest in BOOM's work long after he'd penned his signature to these Forewords.

The Daily Post was of course an essential partner for BOOM. Early on in our campaign we approached the Editor and persuaded the Post to run weekly 'Good News' section, for a while, and a series of articles on 'Who Speaks Up for Merseyside?' BOOM members took turns to provide copy on business success stories, which appeared as editorial even though in truth many of them probably read more like 'advertorial'. Suddenly, wherever one went, around Merseyside at that time, you heard people talking about the positive stories which they had seen in their paper.

Anyhow, encouraged by the support of our principal local Press, we moved on to a dialogue with the Daily Telegraph and some of the other national dailies. This proved so successful that the Telegraph agreed to carry major surveys on the BOOM initiative, which were published to coincide with some of our principal conferences and promotional events. And the Telegraph's Northern business correspondent, Trevor Bates, wrote regularly from then on about us, and the positive things that were happening on the Merseyside business scene.

It had always been our belief that the constant drip of 'doom and gloom' could only end up becoming self-fulfilling. We even approached the two famous Bishops, Bishop David Sheppard and Archbishop Derek Warlock, who were of course doing a wonderful job helping and supporting Liverpool's deprived and hurt communities, but whose frequent appearances in the national media inevitably portrayed Liverpool as dominated by suffering and poverty. David and Derek kindly asked me to be part of their regular Michaelmas Group discussions, which in a quiet way did so much to help build bridges between different communities of interest and between the 'haves' and the 'have not's'.

Hopefully we learned to steer a sensible course between singing the city's praises to attract investment, whilst not forgetting the huge task that remained to rebuild and provide hope for many severely disadvantaged communities.

As time passed, and expectations grew, it became increasingly difficult for our small team to handle all the enquiries, and manage all our paying members' expectations. There was also a growing feeling amongst Merseyside's local authorities, and the public sector as a whole, that it shouldn't be left to a small, relatively informal and self-appointed organisation like BOOM to play such a major role on behalf of the whole region. Some of the authorities had, through much of the 1980's, been heavily handicapped by the municipal funding crises, and so had been relatively content to see a private sector initiative doing some marketing for them. But by early 1990s there was growing support for a partnership approach and when Shell secondee, Nadine Stubbs, was invited to spend three months with BOOM studying the initiative's approach, impact and scope for future development, it was not surprising to find her report recommending the establishment of a joint body.

The 'joint body' that emerged was of course The Mersey Partnership, which took the marketing and economic development of Merseyside to a whole new level, with strong support from all the local authorities whilst also retaining the subscriptions of many local businesses who became, and still remain, members of Local Enterprise Partnerships to this day. Some of us who were active on BOOM, have since had the opportunity to serve the Liverpool City Region in other capacities and to support the excellent work which both TMP and the LEP have carried forward over these past 15

years. Each organisation has built on, and taken forward, the achievements of its predecessors and, today, there is no doubt that the business outlook for Liverpool, and its City region, is immeasurably better than it was three decades ago.

Time is running short, and you don't need me to tell you about today's business opportunities on Merseyside – such as our transformed city, with its Liverpool 1 shopping centre, its Liverpool 2 Superport and so much more. A rising population once more, an even greater arts and cultural offer now with the Tate, the new Everyman and the wonderful Arena and Convention Centre, to name a few of the great venues we offer. The only thing that does not seem to have improved since the 1980s is Merseyside football!

I asked Ged Fitzgerald of the City Council the other day what he felt were the key stages of this remarkable renaissance and he pointed straightaway to Objective 1 and the City's year as European Capital of Culture, of course, but he also paid tribute to the re-building, back in the 1980s and early 1990s, of the working relationships between business and the public sector. And the restoration of that essential ingredient – trust – which only the professional services sector seemed able to provide. The standing of Liverpool's professional services, he felt gave an essential credibility to the BOOM initiative – and, whatever the issues and challenges of the day. The existence of a well co-ordinated and socially responsible professional community will, in my opinion, always remain a vital source of leadership. So I am delighted to see Professional Liverpool so evidently flourishing, and playing its part in contributing to the continuing revival of this great City and region.