

LIVERPOOL RESURGENT

The European Capital of Culture is banking on investment and tourism, writes Wilf Altman

Liverpool is on the up, having been transformed into one of the UK's leading business destinations with the help of a £4bn investment in the city's physical regeneration.

Since 2000, Liverpool has acquired a million square feet of new office space, accommodating significant growth in financial and professional services. The new Liverpool One shopping centre is the biggest in Europe. The redeveloped Pier Head, which hosts the famous 'Three Graces' waterfront, has just opened, allowing large liners to dock at the city. Liverpool John Lennon Airport is the fastest-growing airport in the UK. The city's pharmaceutical and biotechnology sector has attracted world-class companies such as Eli Lilly, Novartis and AstraZeneca. And as European Capital of Culture for 2008, Liverpool should benefit hugely from tourism.

But is the banking sector's refusal to lend, and its calling in of loans or cutting down on them, beginning to hurt local businesses? How hard is the credit crunch biting?

'People in the north west are too busy to think too much about recession,' says Ian Swerdlow, partner in Alexander Myerson, a six-partner firm of chartered accountants in Liverpool and a long established member of the UK200 Group. 'We don't leap up and down as they do in the south. On the contrary we've got many things in our favour, like the new landing pier, which can take bigger liners and bring in more passengers who'll stay here a day or two and spend money. Liverpool Arena concert hall is a huge success, and the new shopping centre is also drawing the crowds.'

But are those crowds spending or just looking? 'We think they're spending,' says Swerdlow. 'The youngsters

definitely are. They are living with their parents and have more disposable income than most.

'Banks are asking more SME customers for cashflow forecasts and management accounts, which means more work for accountants, but we've always worked on both for our clients.'

Eric Brown, a partner with Bailey Page & Roper, another Liverpool practice and member of the UK200 Group, is also upbeat. He says: 'We see no signs of the banks easing their tight hold.

Local businesses are not recruiting, although there are few signs either of cutting

back, except in the case of estate agents and builders. House sales are not moving, which probably explains why plumbers, electricians and maintenance engineers seem to be in greater demand. There are no other obvious signs of the credit crunch hurting. Our clients' requirements have not changed so far. I think Liverpool's combined cultural and shopping focus, plus the city's history and historic buildings will bring many more visitors.'

Liverpool has seen significant growth in the private and the public sector. Government offices include parts of the NHS, HMRC, the Home Office. Most of the high street banks – Abbey, Barclays, RBS, HBOS and Alliance & Leicester – have offices in the city.

The scale and pace of Liverpool's renaissance is impressive. The city's commitment to attracting more investment could succeed, with help from Lord Mandelson and the support of the regional development agency.

The Northwest Development Agency and the European Regional Development Fund have already jointly offered £4m of funding for small firms to

engage with the knowledge sector. Vouchers worth up to £3,000 and support are designed to help small firms build links with colleges and universities.

Wilf Altman spoke to UK200 Group members in conjunction with Best Practice. To see how Liverpool's prospects compare to the rest of the UK, read our special report at www.bestpracticemagazine.co.uk/2227770

www.liverpool.gov.uk

£53,373
Accountants' average salary

+15%
Employment since 2000

£10m
High-growth business fund

57%
Of employers feel city has improved

40
Golf courses

£1.1bn
Value of tourism