

THE TARNISHED SIDE OF THE LIBERALS' SHINY IMAGE

FOCUS ON A SPECULATOR

MICHAEL HEFFERON is a Liberal councillor and a property speculator. This special Free Press investigation shows some of the things he's been up to...

- He is due to receive about £250,000 in public money to develop his growing empire. ● He has received numerous orders from Liverpool Public Health officers to do repairs. ● He has appeared in court for breaking the fire regulations. ● He has used a loophole in the Rent Act to overcharge his tenants.

Mr Hefferon, who lives in Maghull, specialises in buying large houses which are ideal for converting with the help of grants. In May this year he was elected a District Councillor for Tuebrook.

COUNCILLOR Michael Hefferon (pictured left) is the principal of Vandyke Investments a firm of estate agents and property developers based at 18b Moss Street, Liverpool.

There are 5 associated companies. Liverpool Vandyke Properties, Vandyke Estates, North West Properties, Mossley Estates and Lawrence & Hirst (Liverpool) Ltd.

Councillor Hefferon is one of the four directors of Lawrence & Hirst and owns 49 of the 200 shares. Vandyke Properties has two directors - Michael and Joan Hefferon who each own half the shares. This company has published no accounts since April 1969, when it made a £59 loss... after paying the directors £2,000. The year before the directors took home £4,000.

When these accounts were published the improvement grants boom had not got under way so the present situation is probably a good deal healthier than these figures suggest.

Councillor Hefferon's wife, Joan runs Nova Fashions, a chain of boutiques.



THE CARR FAMILY

HENRY CARR. Estate agent and property developer. Among his companies were Alt Park Estates and Ricar Estates. Lived in Menlove Avenue, Liverpool, but wintered on the Riviera, Liverpool, in 1958. Survived by his wife, BERTHA.

CYRIL CARR. Henry and Bertha's elder son. Born 1926. Went to Liverpool College. Served in Royal Signals towards end of World War II. Took law degree at Liverpool University and became a solicitor. Liberal councillor since 1962. Lives in Yew Tree House, a mansion-like house overlooking Calderstones Park.

MALCOLM CARR. Cyril's younger brother. Also a solicitor - joined his brother in the law firm Cyril Carr & Carr in 1952.

PAT STONE. Cyril's sister. Married ALEXANDER STONE, a Liverpool doctor in 1952. Runs a smart antique shop in South John Street (Pat Stone Antiques Ltd).

THE LIBERAL FACE OF CAPITALISM

CYRIL CARR, politician and Man-of-the-People is well known throughout Liverpool. A Liberal councillor since 1962, he is due to become leader of the District Council in April. For the past year he has been national chairman of the Liberal Party, and he could become MP for Wavertree at the next General Election.

Cyril Carr, businessman and Man-of-Property is less familiar. By profession he's a solicitor. Even The Times describes him as a 'wealthy' solicitor. But that's only half the story. For Cyril Carr is a director of sixteen companies (most of them property firms) and has been a director of eleven more.

With other members of his family he controls property which is probably worth more than £1 million.

The Carr family's rise to fortune began with Cyril's father, Henry Carr. Henry owned a number of slums in Toxteth, but also believed there was inadequate provision for "the man of moderate means."

It became his mission to provide homes for the 'needy' middle class. And he went about it at phenomenal speed. In one area alone - Maghull - he during the mid-Thirties he bombarded the local council with planning applications at a rate of almost one a day. By 1937 he had completed 700 houses there... with another 700 planned.

A magazine of the times, The Liverpoolian, praised his achievement and commented that in only a few years Maghull had grown from a small rural parish into a town. Much of this change, it said, was due to Henry Carr and his

CYRIL CARR and his businesses

He did so by forming a new company, P.M.C. Investments. The initials were the names of his three children - Pat, Malcolm and Cyril - who were given a directorship and 1,600 shares each. Henry and his wife Bertha were the other two directors, holding a nominal 100 shares each.

By 1968 (the last year when accounts were published) P.M.C. was worth £218,349. Today it is probably worth far more.

P.M.C. is the cornerstone of the whole Carr empire. Over half its wealth is in 'current assets' (probably shares) which can be sold quickly to provide large amounts of ready cash when the other Carr companies need it.

VARIETY OF COMPANIES

During the early 1960s Cyril Carr was on the board of a variety of companies, including Bailey Brothers, the Birkenhead house furnishers and Paul's Carpet Warehouse. He now concentrates on property, buying or developing shops and flats "as investments" or "as trading stock."

Nearly two years earlier, when Henry was 63 and anxious to spare his family enormous death duties, he had handed over a large part of his fortune to his children.



price. They are in business to make money from rents or from speculation. The principle is the same whether they are run by Liberals or not. Occasionally Liberals themselves - particularly the younger ones - make hostile noises towards property firms. Liberal councillors David Alton and Eddie Bestwick argued recently: "That housing is a basic human need and that the provision thereof should be as a service and not as an investment" (Motion to Liverpool City Council, 4 April 1973). Investment is exactly what Cyril Carr's businesses are about. How much money do the Carr companies make? The highest profit shown in the records was £5,474 before tax (Crompton Court Ltd, 1968). Profits of several hundred pounds are more common, and there are occasional losses. Small profits do not mean the directors have to starve, however. Ricar Estates, one of the most valuable Carr companies made only £140 profit in 1970... AFTER the directors had been paid £5,900. With property - unlike manufacturing industries - the growth of assets is often more important than immediate

That this City Council gives continuing approval to Governmental assistance in the improvement of older housing stock in Liverpool by means of grants, thereby preserving communities; and (a) condemns those property speculators who seek to make capital and rental profits out of improvement grants; (b) believes that housing is a basic human need and that the provision thereof should be as a service and not as an investment; and that the tenants of improved properties should have a total share in the economic benefits of grants; and (c) calls upon the Association of Municipal Corporations to urge Her Majesty's Government to legislate so that tenants of improved properties can benefit directly from the improvement grants scheme by means of reduced rentals.

● Motion by Liberal councillors Alton and Bestwick (Liverpool City Council, 4 April). While they were busy attacking the system, another Liberal councillor was busy benefitting from it... see below.

£250,000 bonanza

WHILE TWO Liberal councillors have been attacking the way landlords profit from improvement grants, a third Liberal councillor has been making a fortune from them.

Councillor Michael Hefferon's firm Vandyke Investments have applied for improvement grants which, when approved, will total £4 million.

The recently published Liberal Party document said "We consider that improvement grants should not be payable to anyone who owns more than one home."

Perhaps Councillor Hefferon has been too busy arranging improvement grants and collecting rents to find out what the official Liberal policy is.

But maybe the all-purpose politics of the Liberal party are vague enough to allow the likes of Councillor Hefferon

LANDLORD IN COURT

THE LACK of fire precautions in Liverpool's hotels has recently been publicised by Councillor Trevor Jones, deputy leader of the city's Liberals.

But the flouting of fire regulations by one of his fellow Liberals - landlord Michael Hefferon - has received less attention.

Earlier this year Mr Hefferon's Vandyke Investments were fined a total of

FIENDS OF THE EARTH...

IN HIS EFFORTS to build as many flats as possible Councillor Hefferon appears to have little concern for the environment as he does for his tenants.

Last year Vandyke Investments applied for planning permission to convert two properties in a conservation area in Belvidere Road, Liverpool 8.

They proposed to convert the houses into twelve flats and build four 3-storey extensions - one on either side and two at the back.

The council refused permission on the grounds that the four extensions constituted "over-development and an increase in cubic capacity excessive in relation to the original home." The extensions on the side were "out of character and visually incongruous."

Vandyke Investments later made a second application omitting all four extensions, which was granted.

But not to be defeated in their attempts to deface the environment, Vandyke Investments submitted similar barracking plans for a property in Charles Barrington Road, Liverpool 15.

Here they planned to convert the property into two flats and build a 2-storey extension containing two further flats.

Permission was once again refused as the extension would mean over development of the site and would have a detrimental effect on neighbouring buildings.

Tenants on one of Mr Hefferon's properties in Aigburth Drive believe he wants to build flats at the rear of this imposing house - on the well-kept lawns.

He's since received planning permission to convert the house into nine flats. Thankfully no flats at the back have been proposed yet.



● No. 3 Devonshire Road, Toxteth - the subject of two Notices of Disrepair.

Like it - or leave it

MR KUEHNLE and his wife, private tenants in a flat in Liverpool 8, have been without hot water for the last 18 months. Their wiring circuit is dangerous and their roof leaks in bad weather.

Not an unusual state of affairs in Toxteth, a happy hunting ground for many profiteering landlords.

Just the type the Liberals can get their community action teeth into when they take over control of the city, you might think.

Well, here's bad news for those riding the Liberals' community politics bandwagon - you've got a spanner in the wheels. This particular landlord is Liberal councillor Michael Hefferon.

For his services to Mr Kuehnle and his wife, Councillor Hefferon receives £3.12½ a week (exclusive of rates).

The services include unearthened plug sockets which resulted in Mr Kuehnle receiving burns from the electric kettle.

Luckily his wife was near by to switch off the current.

Mr Kuehnle wrote to Councillor Hefferon, demanding immediate repairs. Councillor Hefferon wrote back: "Regarding accommodation you occupy, if it is in such a deplorable condition that you make out then the best advice I can tender is for you to seek alternative accommodation..."

"Liverpool City Council fixed a fair rent on the premises and services of the flat you now occupy in their present condition at £3.12½ a week, exclusive of rates. So you see Mr Kuehnle you are only getting what you paid for."

Mr Kuehnle is now on rent strike.

● Vandyke Investments have notched up quite a score of Notices of Disrepair under various sections of the Public Health Act.

Last year they received notices on four properties, and so far this year they've had notices on six.

Carr's companies

RICAR ESTATES. Founded 1935 by Henry and Bertha Carr. Property worth £125,000 (directors' estimate) in 1970. Present directors: Cyril Carr (374 shares) Malcolm Carr (374); Mrs B Pollockoff (226 (226); Pat Stone (374); Dr Alex Stone (no shares). The other 456 shares are in trust for Cyril's mother.

P.M.C. INVESTMENTS. Set up by Henry Carr in 1956 to give his children a good start in life. Buys property and shares as investments. Lends money to other Carr companies - often without strings. Loans have included: £7,000 to Whetstone Park Developments (without security and no date fixed for repayment); £16,000 to Prella and Co; £17,200 (interest-free) to Merseyside Flats Ltd; £41,000 to Havas Travel Service. The "rich uncle" of the Carr empire.

PRELLE & CO. Established 1910 as building material merchants, now a property trading company. Carrs bought it in 1958. Property was worth £64,000 in 1968. Directors: Cyril Carr (15,000 shares); Malcolm Carr (15,000); Dr Alex Stone (-) Pat Stone (15,000).

MERSEYSIDE GROUNDS RENTS. Bought 10 acres of land at Rainhill in 1959 and 10 acres at Melling in 1961. Directors: Cyril Carr (33 shares); Malcolm Carr (34); Dr Alex Stone (his wife has 33 shares).

MERSEYSIDE OFFICES. Property investment company. Dormant since 1966 when it sold its only property - Carr's office in Victoria Street - to Prelle & Co, another Carr firm. Directors: Cyril Carr (34 shares); Malcolm Carr (33); Dr Alex Stone (his wife has 33 shares).

MERSEYSIDE FLATS. Property investment company. Directors: Cyril Carr (34 shares); Malcolm Carr (33); Dr Alex Stone (2); Pat Stone (32).

MERSEYSIDE SHOP PROPERTIES. Property valued at £120,000 in 1970 (mortgages £78,000). Directors: Cyril Carr (33 shares); Malcolm Carr (33); Pat Stone (33); Dr Alex Stone (1).

WHETSTONE PARK DEVELOPMENTS. Bought land for development at Randall Drive, Litherland, Dragon Drive, Whiston and Dudlow Lane, Mossley Hill during the 1960s. Luxury flats were built at Dudlow Lane and 22 of them sold for a total profit of £19,262. Company registered 1956. Original directors: Henry Carr, Ralph Bloomer and Rachel Levy. Cyril, Malcolm and Dr Stone took over in 1960.

HAVAS TRAVEL SERVICE. The "travel service" is rather a mystery - unless it's the rent collector's trips to Bootle and Kirkdale where the company has 14 properties. Also under-leases a shop and carries out land development

CYRIL'S PREVIOUS DIRECTORSHIPS

HENRY CARR & CO. Estate agents. Unlimited company, registered 1958. Original directors: Dr Alex Stone (1 share); Cyril Carr (-); Malcolm Carr (1). Cyril and Malcolm handed over their seats on the board to their wives, Hilary and Sally in 1959. Hilary and Sally resigned in 1963 and were replaced by George Oliver, an estate valuer and George Gerrard, a chartered accountant who is secretary of several Carr firms. Company administrators some of the firms listed above - in 1970 it received £1,000 for services to Merseyside Shop Properties Ltd.

OTHER COMPANIES which have had Cyril Carr as a director are: Candid Camera Productions; Paul's Carpet Warehouse; Hoosam Caterers; Brian Paul Holdings; Duma Florants; Floral Supply Service (L&P); Bailey Brothers Birkenhead; Artab Investments; Teroba Investments and Tiffany's Restaurants.



CARR TERRITORY. Top left: Crompton Court and (top centre) remains of the demolished wing. Above: 8 Fulwood Park, Aigburth. Left: part of a large block of shops on the corner of Childwall Park Road and Dunbabin Road, Childwall

profits. Income from rents and sales is used to buy more property to get more rents which in turn can be used to buy more property.

In their accounts the Carr companies list property at cost price - which means that where property was bought some years ago its real value is far more. Ricar Estates, for instance, had assets of £73,035 in 1970, based on the original cost of their purchases. But in the directors' opinion the property was worth £105,000 at 1970 prices. Merseyside Shop Properties announced in 1970 that the market value of the properties was £68,000 more than the £51,672 they paid for them.

Although the Carr companies fulfil the legal requirements, their records at Companies House, London, are not always as informative as they might be. Bonora Investments, for example, described their turnover in 1971 as "under £250,000".

Several of the companies have not filed accounts since 1970. Another firm, Rebuff Properties, chose to become unlimited in 1969 - and no accounts need ever be published.

CHANGING VALUES

Because of changing property values and the lack of information about some of the companies it is not possible to say exactly how much the Carr empire is worth. But if all their property were sold today it would be surprising if the sale raised less than £1 million.

"Forward with the people" was the Liberals' slogan at their Southport conference. When it comes to prosperity Cyril Carr is moving forward fast. Leaving most people miles behind.

Cyril's Portuguese connection...

IN 1969 Cyril Carr joined a scheme to invest £97,000 in Portugal, a country noted for its dictatorship at home and its massacres abroad.

The plan was to build a caravan site in Portugal, and a new company - Hurlam Ltd - was set up. In this exciting bit of free enterprise Cyril and Malcolm Carr, together with their brother-in-law Dr Stone, were joined by Dr John Maxwell and Arnold Sherman. Maxwell and Sherman are already well known to Free Press readers. Their interest in the commercial side of medicine (locum services) was reported in issues 8 and 13.

The new company was originally based at No 8 Shaw Street. Dr Maxwell's medical and business headquarters. But more than half the shares were owned by Dr Stone and the Carr brothers.

There were two minor shareholders, Sydney Brayde of 47 Beaconsfield Rd, Woolton and a Mr Eric Frye of Nottingham.

By the end of September 1971 the company had spent £33,536 on the caravan site and had run up an overdraft of £39,000.

The directors announced contracts had been signed which would involve spending £15,000 in the future, and "further work not yet contracted for, but necessary to complete the development amounts to approximately £48,500."

More recent accounts have not yet arrived at Companies House. In January 1972 Maxwell, Sherman, Brayde and Frye resigned. Three new directors were appointed: Joseph Khan of 21 Selworthy Road, Birkdale and Jerome and Austin Wilson.