

# Playing Ball

## Private Business: Public Planning

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The abilities of elite capitalists to shape public policy and government decisions through the power of their philanthropic as well as business activities is not limited to the connections of wealth, power, and government on the level outlined in Michael Barker's considered analysis of the Bill and Melinda Gates Foundation. In fact, a cursory look at some recent goings-on in Scotland suggests that the relationship of public benefit to private funds is of a similar nature, if on a smaller scale. In the area of public planning in Aberdeenshire and Aberdeen there are two developments which have come to varying wider prominence, Donald Trump's golf-course and housing scheme in Aberdeenshire<sup>1</sup>, and Sir Ian Wood's more recent plans for the city centre of Aberdeen.

"The greatest golf course anywhere in the world"<sup>2</sup> proposed by Donald Trump for Aberdeenshire's Menie Estate was a not entirely welcome pitch for locals in 2006. Trump's plan attracted dismay for its location on a Site of Special Scientific Interest, as well as its inconsistency with the existing overall planning for the area.<sup>3</sup> Emphasised by Trump and also gaining local support – including on the level of residents – was the argument of economic benefit to the region in the context of a lack of planning for the coming decline in the energy sector, the main economic focus of the area, on the part of local and indeed national government. Against this background, Trump's outline planning application went through the established decision-making channels, to be rejected by the Infrastructure Services Committee of Aberdeenshire Council with a narrow vote in November 2007.<sup>4</sup> The committee chair, Martin Ford, cast the deciding vote, and has since been seen as the key

personality in this rejection.

While Trump chose not to undertake the established route of appealing the planning decision, the decision over the development was called in by national government in an unprecedented manner<sup>5</sup> after a series of meetings between government officials, including the First Minister, Alex Salmond, and representatives of the Trump organisation. Following a subsequent inquiry by the Local Government and Communities Committee in early 2008 into the handling of the planning application, as well as a public enquiry on the planning application itself, the development eventually received outline planning permission by the Scottish Government, where the decision rested with Scottish Ministers, in November 2008.<sup>6</sup> In the scrutiny of the call-in, Salmond's involvement was legitimised by the point that he did not intervene using his position as First Minister, but in his role as MSP for the constituency concerned<sup>7</sup>, and that an application rejected at the local level can be called in by Scottish Ministers if they consider it of national importance and if this is done prior to the planning decision notice being issued by the local council.<sup>8</sup>

Nonetheless, the widely communicated dismay and the subsequent removal of Ford from the Infrastructure Services Committee, and the gradual suspension of other councillors who opposed the development<sup>9</sup>, left the overwhelming impression that it was Trump's wealth and the threat of taking his business elsewhere<sup>10</sup> that had allowed him to directly shape local planning by his investment, which influenced public decisions at the highest level. A key role of government would arguably be that of regulating private and economic interests in relation to other values. However, the contested claim that Trump's project will significantly further the local economy<sup>11</sup> in this case clearly overruled previous planning policy and in particular concerns such as environmental sustainability. Issues surrounding the political fall-out locally, in terms of the position



### Notes

1. "The proposed development included two 18 hole links golf courses: a golf clubhouse; a golf academy; golf maintenance building and caddy shack; a short game area and driving range; a 450 unit resort hotel, conference centre and spa; 36 golf villas; 950 holiday homes; staff accommodation; parking areas; access roads and two future private residential housing areas for 500 houses in total", Local Government and Communities Committee; 5th Report, 2008 (Session 3); Planning Application Processes (Menie Estate); Volume 1, pg. 1, <http://www.scottish.parliament.uk/S3/committees/lgc/reports-08/lgr08-05.htm>
2. TIGLS Donald Trump Precognition, pg. 2, Precognition Statements, Aberdeenshire Council, Menie Estate Public Enquiry, <http://www.aberdeenshire.gov.uk/planning/inquiry/index.asp#statements>
3. Local Government and Communities Committee; 5th Report, 2008 (Session 3); Planning Application Processes (Menie Estate); Volume 1, pg. 1, <http://www.scottish.parliament.uk/S3/committees/lgc/reports-08/lgr08-05.htm>
4. The tie was moreover not between granting permission or refusing it, but over refusing or deferring the decision; see Local Government and Communities Committee; 5th Report, 2008 (Session 3); Planning Application Processes (Menie Estate); Volume 1, pg. 14, <http://www.scottish.parliament.uk/S3/committees/lgc/reports-08/lgr08-05.htm>
5. Local Government and Communities Committee; 5th Report, 2008 (Session 3); Planning Application Processes (Menie Estate); Volume 1, pg. 35, <http://www.scottish.parliament.uk/S3/committees/lgc/reports-08/lgr08-05.htm>
6. See Menie Estate Public Enquiry, Aberdeenshire Council, Decision letter dated 3 November 2008 to the applicants' agent, <http://www.aberdeenshire.gov.uk/planning/inquiry/index.asp>
7. See e.g. The Scottish Government News Release, Proposed golf resort in Aberdeenshire, 20/12/2007, <http://www.scotland.gov.uk/News/Releases/2007/12/20091903>
8. Local Government and Communities Committee; 5th Report, 2008 (Session 3); Planning Application Processes (Menie Estate); Volume 1, pg. 7-8, <http://www.scottish.parliament.uk/S3/committees/lgc/reports-08/lgr08-05.htm>
9. Ford and three other Liberal Democrat councillors have since left the Party, after they were suspended or investigated in relation to their opposition to the Trump development, to form an independent group. Most recently Ford has joined the Green Party, while the Trump organisation has reported his colleague Debra Storr to the Standards Commission for alleged trespassing on the Menie Estate. See Gillian Bell and Jamie Buchan, 'Lib Dem party suspends trio who quit council group', *Aberdeen Press & Journal*, 2/3/09; <http://www.pressandjournal.co.uk/Article.aspx/1101662?UserKey=>; Shona Gossip, 'Trump reports Storr to watchdog', 16/4/09, <http://www.pressandjournal.co.uk/Article.aspx/1173221>; Jamie Buchan, 'Disgusted councillor quits party', *Aberdeen Press & Journal*, 22/5/09, <http://www.pressandjournal.co.uk/Article.aspx/1228375>; 'Trump politician to join Greens', BBC News, 31/5/09, <http://news.bbc.co.uk/1/hi/scotland/north-east/8075787.stm>
10. See e.g. Local Government and Communities Committee; 5th Report, 2008 (Session 3); Planning Application Processes (Menie Estate); Volume 1, pg. 15 and 26, <http://www.scottish.parliament.uk/S3/committees/lgc/reports-08/lgr08-05.htm>. Trump had also stated in an interview (prior to the negative decision in November 2007), that "because I am who I am... I'm going to get it." Alex Shoumatoff, 'The Thistle and the Bee', *Vanity Fair*, May 2008, <http://www.vanityfair.com/culture/features/2008/05/trump200805>
11. See e.g. 'Trump's Scottish venture. Birdie or bogey?', *The Economist*, 6/11/08; [http://www.economist.com/world/britain/displaystory.cfm?story\\_id=12564699](http://www.economist.com/world/britain/displaystory.cfm?story_id=12564699)
12. See e.g. Gillian Bell, 'Tycoon to fund Trump golf resort protest', *Aberdeen Press & Journal*, 13/5/2009, <http://www.pressandjournal.co.uk/Article.aspx/1214366?UserKey=>
13. Calum Ross, 'Public cash may be used to buy land for Trump compulsory purchases not ruled out by council', *Aberdeen Press & Journal*, 9/5/09, <http://www.pressandjournal.co.uk/Article.aspx/1208996>
14. Hamish MacDonell, 'Downturn makes for not-quite-so-rich list', *The Scotsman*, 27/4/09, <http://news.scotsman.com/latestnews/Downturn-makes-for-notquitesorich-list.5207228.jp>
15. See <http://www.woodfamilytrust.org>; Sir Ian Wood was

of the opposed councillors, and the continued concerns of opponents to the scheme, in particular from an ecological perspective, continue as the development is set to take its course.<sup>12</sup> In a further twist of events, Aberdeenshire Council are now 'not ruling out' compulsory purchase orders to acquire land for Trump's scheme with public funds.<sup>13</sup>

Emerging just before the favourable decision in the Trump case, Sir Ian Wood intervention in Aberdeen City's public planning was in many ways analogous to Trump's more widely reported efforts. In this case, Wood – a local businessman who as founder of the Wood Group is now one of the richest individuals in Scotland<sup>14</sup>, and has created his own charitable foundation, The Wood Family Trust<sup>15</sup> offered the city £50 million towards the development of a square in the current location of a city centre park, a scheme he has championed in previous incarnations for decades.<sup>16</sup> Thus, an earlier version of the scheme formed part of 'Aberdeen Beyond 2000', a report in 1987 by "a self-appointed committee of local interests, including Wood, dominated by the business sector"<sup>17</sup>, including oil corporations, construction, local businesses, financial institutions, local government representation, as well as the University of Aberdeen and local media. As pointed out in a critical review of this report in 1988, the 'Aberdeen Beyond 2000' group and its plans "[ran] contrary to... [the] democratically accountable planning system"<sup>18</sup>, and the report "undermines the position of the local authorities involved", constituting effectively "an attempt by unelected and unaccountable interests to appropriate those [democratic planning] functions."<sup>19</sup>

In a return to 'Beyond 2000 of 1987', the current scheme was first publicly proposed in the form of a press conference Wood gave in Aberdeen in November 2008 in the company of Alex Salmond, in his function of First Minister on this occasion. While the details of the scheme are still unknown, Wood's offer has, for the time being, halted a previously granted planning application for the same site for a new contemporary art centre proposed by Peacock Visual Arts.<sup>20</sup>

Since Wood's donation would have to be more than matched by public funds – anything approaching actual cost is at this point conjecture, although the figure most recently reported is £140 million<sup>21</sup> – his generosity is, in effect, influencing not only public planning but also expenditure. Thus, local citizens will have contributed to an as yet not clearly communicated scheme they have, so far, have had little if any opportunity to influence and which does not appear in any way a response to politically identified priorities, be they in terms of public provision at large or more specifically in public planning.<sup>22</sup> Wood's ambitions are, if his plan is implemented, set to reconfigure a central, if currently little used, public space through an initiative stemming not from any tangible public interest but from his private wealth. In this context it is notable that the development of his scheme towards planning permission and its ultimate realisation is steered by local private-public body Aberdeen City and Shire Economic Forum (ASCEF)<sup>23</sup> and has most recently been propped up by Scottish Enterprise, who, in another twist and turn of events, also support the art centre scheme.<sup>24</sup>

Beyond the steering of public planning by private business in North-East Scotland, a more structural analysis of corporate influence on the Scottish government is carried out by David Miller, Professor of Sociology at the University of Strathclyde, Glasgow, and one of the founding editors of spinwatch.org. Amongst the cases cited in his diagnosis of a "general orientation towards business interests"<sup>25</sup> and "the progressive neutering of processes of democracy"<sup>26</sup> is the role of Sir Ian Byatt who runs the Water Industry Commission for Scotland (WICS) – who's ostensible role is to make sure Scottish Water is run efficiently within the public sector – which employs the consultancy Frontier Economics, and Byatt, while in his role at WICS, is in turn employed by Frontier Economics as a senior associate pushing for the privatisation of Scottish Water.<sup>27</sup> Furthermore, both The Scottish Parliament's 'Business Exchange' (SPBE) and the Scottish Government's Management group and Financial Services Advisory Board are, as outlined by Miller, populated by lobbyists, business representatives and executives from finance capitalism, respectively.<sup>28</sup>

The developments around Trump and the emerging Wood saga are thus clearly not isolated events of a somewhat amusing reverence before the powerful and generous. Rather, they highlight the often much less blatantly visible integration of Corporate and Public Sectors: from the framing of personal philanthropy as an acceptable substitute for public welfare provision<sup>29</sup> to the rather more prominent and spectacular public financing of private losses currently taking place on the world-wide scale of the global financial system.

chairman of Scottish Enterprise from 1997 to 2000 and is currently chancellor of The Robert Gordon University, Aberdeen.

16. See Mike Wade, '£13m Aberdeen arts plan loses cash to rival scheme', *Times Online*, 24/4/09, <http://www.timesonline.co.uk/tol/news/uk/scotland/article6164665.ece>; and M.G. Lloyd and D.A. Newlands, 'The "Growth Coalition" and Urban Economic Development', *Local Economy*, 3:1, pg. 31-39, 1988
17. M.G. Lloyd and D.A. Newlands, 'The "Growth Coalition" and Urban Economic Development', *Local Economy*, 3:1, pg. 31-39, 1988, pg. 35; this version was not the first, but resurrected "a previous proposal to redevelop part of the city centre, decisively rejected by the District Council", *ibid*, pg. 27.
18. *Ibid*, pg. 37
19. *Ibid*, pg. 38
20. For the record, I worked as curator at Peacock Visual Arts from 2004-2009. For more information on this scheme see, e.g. <http://www.peacockvisualarts.com/new-building/>; on the implications of the Ian Wood scheme on the previous plans, see, e.g. Council Additional Agenda 17 December 2008, Union Terrace Gardens and Peacock Visual Arts - Report by Corporate Director for Strategic Leadership, Aberdeen City Council, [www.aberdeencity.gov.uk/nmsruntime/saveasdialog.asp?ID=19935&ID=8635](http://www.aberdeencity.gov.uk/nmsruntime/saveasdialog.asp?ID=19935&ID=8635) [pdf download]
21. Ruth Bloomfield, 'Aberdeen row over rival plans,' 15/5/09, *Building Design Online*, <http://www.bdonline.co.uk/story.asp?storycode=3140541>
22. See Aberdeen Local Plan (2008), Chapter 3, pg. 59, [http://www.aberdeencity.gov.uk/Planning/sl\\_pla/pla\\_LocalPlan\\_home.asp](http://www.aberdeencity.gov.uk/Planning/sl_pla/pla_LocalPlan_home.asp); Union Street, Conservation Area Appraisal, Strategic Leadership Planning & Infrastructure, Aberdeen City Council June 2007, pg. 27, 29, 32-33, [http://www.aberdeencity.gov.uk/Conservation/sl\\_cns/pla\\_conservation\\_areas.asp](http://www.aberdeencity.gov.uk/Conservation/sl_cns/pla_conservation_areas.asp)
23. See 'ACSEF leads on vision for new city centre heart', <http://www.acsef.co.uk/ezineItem.cfm?theID=1&itemID=5> The ACSEF board's majority is constituted by private sector bodies, including North-East construction magnate Stewart Milne. It would seem ACSEF (Aberdeen City and Shire Economic Forum) has recently renamed itself the Aberdeen City and Shire Economic FUTURE.
24. Mike Wade, '£13m Aberdeen arts plan loses cash to rival scheme', *Times Online*, 24/4/09, <http://www.timesonline.co.uk/tol/news/uk/scotland/article6164665.ece>
25. David Miller, 'Corporate Power and the SNP Government', 2/4/08, <http://www.spinwatch.org.uk/articles-by-category-mainmenu-8/70-british-politics/4778-corporate-power-and-the-snp-government>
26. David Miller, 'Spin, corporate power and the social sciences', Autumn-Winter 2008/2009, pg. 1, <http://www.dmiller.info/popular-journals>
27. David Miler, 'Corporate Power and the SNP Government', 2/4/08, <http://www.spinwatch.org.uk/articles-by-category-mainmenu-8/70-british-politics/4778-corporate-power-and-the-snp-government>; see also, 'Water quango gave £275,000 to chairman's organisations', *The Sunday Herald*, 14/2/09, [http://www.sundayherald.com/news/heraldnews/display.var.2489312.0.water\\_quango\\_gave\\_275\\_000\\_to\\_chairmans\\_organisations.php](http://www.sundayherald.com/news/heraldnews/display.var.2489312.0.water_quango_gave_275_000_to_chairmans_organisations.php)
28. David Miller, 'Spin, corporate power and the social sciences', Autumn-Winter 2008/2009, pg. 2-3, <http://www.dmiller.info/popular-journals>
29. See, 'An evaluation of Corporate Community Investment in the UK, A research report by the International Centre for Corporate Social Responsibility, Nottingham University Business School for CAF (Charities Aid Foundation), December 2006, pg. 8, [www.cafonline.org/pdf/CCI%20research%20report.pdf](http://www.cafonline.org/pdf/CCI%20research%20report.pdf): "With the growth of the welfare state, much of this social provision was carried out by Government agencies and industrial paternalism declined leaving business philanthropy as the dominant mode of CCI. This continued until the 1980s, since when successive governments have increasingly leveraged the support of charities and businesses to address social, environmental and economic problems. These multi-partner initiatives are characteristic of a more networked model of governance."