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Murdoch's humble pie

Tycoon expresses regret for News Corp's phone-hacking scandal but insists he was kept in dark

Patrick Wintour
Political editor

Rupert Murdoch defiantly insisted yesterday he was not responsible for what he called "sickening and horrible invasions" of privacy committed by his company, claiming he had been betrayed by disgraceful unidentified colleagues, and had known nothing of the cover-up of phone hacking.

During a three-hour grilling at the culture select committee, disrupted by a protester throwing a plate of shaving foam, the once all-powerful News Corp chairman and chief executive told MPs: "I am not responsible."

In a halting performance, at times pausing, mumbling and mishearing, Murdoch said those culpable were "the people I hired and trusted, and perhaps then people who they hired and trusted". But he denied the accusation he had been "willfully blind" about the scandal.



Nick Davies senses a hint of high-powered coaching behind a seemingly contrite Commons performance by father and son

At one point yesterday afternoon, the Murdochs were asked what coaching they had received in preparation for the hearing. "We were told to tell the truth, to be as open and as transparent as

Consumers are out there, insists property firm shopping for malls

As the high street struggles, Land Securities is pressing ahead with new projects

Julia Kollwe

It's as if the recession never happened. In the centre of Leeds, under a round roof, a 92,000 sq metre shopping centre is emerging. Trinity Leeds, which will feature a giant Primark, is expected to catapult the city into the UK's top four retail destinations, alongside London, Glasgow and Birmingham, when it opens in the spring of 2013.

That's assuming consumers will keep shopping. Amid gloomy predictions of an age of austerity lasting for decades, and as the popularity of online shopping continues to grow, Britain's high streets are struggling for survival. A swath of retailers, most recently Habitat, Jane Norman and Focus DIY, have shut up shop. But this is not stopping Land Securities, Britain's biggest property developer, from stepping up investment in retail parks and shopping centres. Francis Salway, chief executive, is adamant that this is not a speculative punt. "We're responding to growing demand from food and fashion retailers. Retailers are planning two to three years out; the stronger retailers got their balance sheets into good shape. We wouldn't be doing these developments on a wholly speculative basis," he said. "We are alive to the challenges in the retail sector but the important thing is we're doing business with the retailers who are taking more space, and our portfolio tends to be in the stronger locations." The company's One New Change shopping centre in the City of London, which opened last autumn, was trading "soundly", he said.

Uncertain

Trinity Leeds is not the company's only new project. It is also extending its shopping centre in Buchanan Street, in the heart of Glasgow, which is now 68.7% let, with Forever21, Gap and Paperchase among the retailers signed up. In addition, Land Securities announced yesterday that it was putting a further £275m into seven smaller malls and retail parks, totalling another 93,000 sq metres of shop space, in Wandsworth, south London; Derby, Taplow in Buckinghamshire, Crawley in West Sussex and Thanet in Kent, plus two others.

Steve McGuckin, UK managing director at the construction consultancy Turner & Townsend, and a former Land Securities director, said: "As long as consumer confidence stays at such an uncertain level, there will be question marks over retailers' ability to keep paying their rent. We're unlikely to see rapid growth for either commercial or residential developers. It will be more of a case of steady as she goes than full steam ahead."

Britain's high streets are increasingly populated by charity and pound shops as many mainstream stores shut down or decamp to edge-of-town shopping centres. The big supermarket chains - Tesco, Sainsbury's, Asda and Morrisons - are involved in a "race for space", along with fashion retailers including Primark, SuperGroup, H&M, Next and Marks & Spencer.

"The world is changing," said Nick Bubb, Arden Partners retail analyst. "It's all about big schemes, bigger centres and online [shopping]."

Off the map

Trevor Wood, of the retail consultancy Trevor Wood Associates, added: "Tertiary [poor-quality] space could fall off the map. Retail stock [shops] in provincial areas of Glasgow, for example, may not do so well."

Salway highlighted the gap between the average shop vacancy rate of 14% on UK high streets and the 4% rate at Land Securities' shopping centres. "The



The landmark advertising panel at Piccadilly Circus in central London has a vacancy for the first time in 17 years, its owner Land Securities revealed yesterday. Sanyo, the Japanese electronics group, is giving up one of the five permanent berths, which will be rented out at double the price Photograph: Sylvain Sonnet/Getty Images

“We wouldn't be doing these developments on a wholly speculative basis

Francis Salway, chief executive of Land Securities, below



high street is at a disadvantage - it's not able to create these large units," he said. But he held up the redevelopment of the derelict Buchanan Street site in Glasgow as a model for a high street revival. "If people were able to assemble large chunks and were free to develop them, we could see the high street strengthen," he said.

Other developers are also investing in good-quality shop space, with Hammerson planning to build a 130-unit (100,000 sq metre) centre at Eastgate Quarters in Leeds. British Land has snapped up a string of shopping centres in recent months - in Barnstaple, Devon; Basildon in Essex, and Plymouth's Drake Circus centre - and retail makes up two-thirds of its portfolio.

Revival

Analysts sounded a cautious note over the timing of the Land Securities developments but suggested that fortune could favour those who trusted in a consumer revival.

Brian Johnson, an insolvency partner at HW Fisher & Company chartered accountants, said: "You would need to be extremely brave to consider investing in high street retail space at the moment. Investing in retail is a bet on the consumer but does the consumer really look like a great bet? Over the next few months, there's every chance we will see even more major retailers collapse, bringing further despair."

"However, this downturn can't last for ever. In the next six months to a year, it could be that the high street starts to come back to life, and those who jumped in at the right time will make the most of this recovery."

Naturally, certain towns and cities will fare better, or be more resilient than others, but the overall picture remains extremely challenging."

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