

BROSELEY

Peak units: 4574 (1983)

Owned for most of its history by an insurance company, Broseley will for ever be identified with Danny Horrocks, a Bolton property developer. On leaving grammar school in 1942, Danny Horrocks was apprenticed as a joiner. Some five years later, his brother came out of the navy and the two started an estate agency in Bolton, opening another office in Leigh in 1951. This was an opportune time with building controls then being dismantled and, like many other estate agents, they moved into development. When Danny Horrocks married in 1954, the brothers split the business with Danny taking the Leigh office; in the next couple of years he developed around 80 houses, contracting the work out to builders.

In the early 1950s, Danny Horrocks was introduced to Dunlop Heywood, the leading Manchester chartered surveyors and it was there that he met Tom Baron - another Lancastrian destined to become a leading figure in the housing industry. Tom Baron in turn introduced a local builder, Alf Smith, which led to the formation of joint Horrocks/Smith companies including Wigshaw Properties and Property Investment (Leigh) for housing and Bradshawgate Properties for commercial development. Tom Baron also had an interest through an option arrangement. (Incidentally, the company names, including Broseley itself, were streets in Culcheth, between Leigh and Wigan).¹ The first housebuilding in the joint companies was in 1957-58 and the estates began to be of significant size - 50 at Weststaughton, then 150 at Bolton, and then a similar one in Blackburn.

Enter the Royal Exchange

Commercial development was carried on side by side with housing and the first development had a significance that went well beyond its local interest. When a cinema in Leigh came on the market, Tom Baron used Debenham Tewson & Chinnock to effect an introduction to the Royal Exchange from which developed one of the insurance-developer partnerships that typified the commercial property world: 'The partnerships were unusual as well as profitable combinations of financial sobriety and entrepreneurial verve'.² For the record, the ground level of the cinema was converted into a Lennon's supermarket, and the offices above let to the Government on a 21-year lease. Another cinema (in Horwich) was similarly developed and in both cases Royal Exchange provided a letter of intent promising to advance the mortgage money when construction was finished and fully tenanted.

From that point, the relationship with the Royal Exchange became ever closer although the subsequent shareholding history proved somewhat tortuous. In 1960, the three companies mentioned above were consolidated into a new holding company, Broseley Investment Company. Royal Exchange held 26% with the right to take a further 26%; the balance of shares was held by Danny Horrocks, Alf Smith, and Tom Baron (through his option). Royal Exchange continued to provide the end loan to finance the commercial developments, although not for housing.

Followed by MRSL

In September 1961, Metropolitan Railway Surplus Lands (sister company to the Metropolitan Railway Country Estates), entered the story. MRSL was registered in 1933 to acquire the undertaking of the Surplus Lands Committee of Metropolitan Railway Company. The colourful Bernard Docker was Chairman, and the Managing Director of both the Metropolitan Railway companies was 'a courteous and intelligent businessman of the old school, Billy Balch, a distinguished president of the Royal Institute of Chartered Surveyors'.³ MRSL already had an

¹ One historical footnote from the early 1980s is that Broseley's best known estate was Brookside, which is probably recognised by more television viewers than any other estate in the country.

² Supple, *The Royal Exchange Assurance*, p.527.

³ Marriott, *The Property Boom*, p.240.

interest in housing through a joint venture it had with Metropolitan Railway Country Estates, namely the original Whelmar, run by Tom Baron. MRSL bought Tom Baron's option, acquired 20% of Broseley and lent £100,000 to help develop the housing business. The shareholders were thus Royal Exchange, MRSL, Horrocks and Smith, with the latter two still controlling the company. Two years later, in 1963, Alf Smith sold his own building company to Broseley and then sold the whole of his shareholding to Surplus Lands taking the latter's holding up to 49½ %.

Now the sole entrepreneur left of the original three, Danny Horrocks was asked to run Broseley full time. There then began Broseley's transition from regional to national housebuilder, with expansion into the east midlands and the south west. The south west had another Bolton connection in the form of Frederick Powell who had moved to Devon where he and Danny Horrocks jointly developed a number of small sites, much as Horrocks had done previously with Smith. When Powell died in 1968, the building company was taken into Broseley, when it was further expanded. By the late 1960s, Broseley had become a sizeable developer, building around 1200 to 1500 houses a year, with a significant commercial development programme.

In 1968, Metropolitan Railway Surplus Lands was taken over by the property company MEPC. For whatever reason, MEPC and Guardian Royal Exchange (as it became after the 1969 merger) did not get on - at times they could not even agree where the board meetings should be held. By then, the shareholdings were MRSL 42¼%, GRE 33¼% and Horrocks the balance. In March 1970, Horrocks agreed to sell a controlling holding to either MEPC or GRE so that progress could continue. After protracted negotiations, Horrocks was about to sign the sale of his shares to MEPC when GRE cited its 1960 pre-emption agreement. A less-than-amused Danny Horrocks ended up by selling to GRE that same day to give GRE just over 50%. GRE bought out MEPC the following year to achieve 94% ownership. In 1972, GRE made another strategic move, taking over Metropolitan Railway Country Estates, now building around 400 units a year compared with the 2000 a year output when it had controlled Whelmar. The acquisition was without reference to the Broseley management though the rationale was probably the investment properties; after GRE had taken out the properties it wanted, the housebuilding rump was merged into Broseley. At that point, Danny Horrocks sold to Broseley his remaining family interests (Tanway Properties), retaining a 6½ % interest in Broseley.

Regional expansion

The regional expansion continued in the 1970s taking Broseley into Essex, the north east, and Milton Keynes. By the time the recession came, Broseley was building around 2200 house a year and managed to hold this through the recession, before continuing the regional expansion in the second half of the decade – finishing with Scotland ('a mistake')⁴ and then the more successful entry into London Docklands in 1980. Between 1972 and 1979, Broseley's turnover virtually trebled to £51m and trading profits rose from £3m to £8m; throughout the 1974-75 recession, the company remained profitable.

Broseley's growth took place without apparently any guidance or restriction from the parent company. Indeed, between 1979 and 1982, volumes doubled to over 4500 making Broseley the fourth-largest housebuilder in the country. Turnover peaked in 1983 at £130m although there was little further growth in profits. Asked what was the strategy behind the regional expansion and the creation of a national housebuilder, Horrocks said: 'no-one ever decided what to do. There was no basic strategy. We went into new areas because individual people and companies suggested opportunities.' In later years, it often puzzled those in the industry as to what interest an insurance company had in one of the largest housebuilders in the country. However, the roots of the relationship lay in what was originally a risk-free commercial property investment rather than housebuilding, but there was also an appeal in the housing ground rents which gave access to the placing of domestic insurance. There was a brief flirtation with Florida in the first half of the 1980s; Broseley neither made nor lost money.

⁴ Interview with Danny Horrocks, Jan. 1999.

Although profit margins in the later years never appeared as high as some of its competitors, the accounting was very conservative and the possibility of a flotation lay ahead. However, in 1986 and 1987 Danny Horrocks suffered heart attacks; by then just past 60, he asked GRE what they wanted to do with the business. The association between GRE and Danny Horrocks had lasted over 25 years; without him they felt that there was little sense in owning a business that they did not understand, which they had never managed and which no longer had any common link with the insurance industry. A buyer was to be sought: in December 1986, the housing side of Broseley was sold to Trafalgar House for £71m where it was incorporated into Ideal Homes.