

AGENDA ITEM 8

REPORT TO THE STDC BOARD

29 JANUARY 2020

REPORT OF THE MONITORING OFFICER

COMPULSORY PURCHASE ORDER (CPO) UPDATE – REAFFIRMATION OF DECISION

SUMMARY

1. In February 2018, the STDC Board confirmed, by way of written resolution, to in-principle authorise the making of a CPO to secure the regeneration of land within the STDC area.
2. Subsequent to this, in July 2018, the STDC Board authorised the making of one or more CPOs to acquire land and new rights to facilitate the regeneration of land within the STDC area, and the submission of the CPOs to TVCA for consent to submit the CPOs to the Secretary of State for confirmation.
3. Further updates as to the progress made with the proposed CPO(s) were provided to the STDC Board in September 2018, November 2018 and January 2019.
4. The TVCA Cabinet consented to the submission of the CPO to the Secretary of State for confirmation and “The South Tees Development Corporation (Land at the Former Redcar Steel Works, Redcar) Compulsory Purchase Order 2019” was made on 11 April 2019, the affixing of the seal being authenticated by Mayor Ben Houchen.
5. Objections were received to the making of the CPO. The objections made by SSI Thailand, Royal Bank of Scotland and [the Thai Banks] assert that the CPO was made without authorisation by the STDC Board and that the CPO was signed by Ben Houchen who had no authority to do so. The objectors listed here all contained the same objection information. The SSI objection is attached at Appendix 1.
6. The purpose of this report is to inform Members of the correspondence received and STDC's response and to ask the STDC Board to reaffirm its commitment and decision to make the CPO and, in particular, to confirm that the July 2018 resolution authorised the making of one or more CPO(s) without the need for a further resolution before the making of the CPO(s).

RECOMMENDATIONS

It is recommended that the STDC Board:

- i. confirm that the July 2018 resolution authorised the making of one or more CPOs without the need for a further resolution before the making of the CPOs; and

- ii. reaffirm its commitment and decision to make the CPO.

DETAIL

1. In February 2018, the STDC Board confirmed, by way of written resolution, that the Board:
 - *authorises the in-principle use of a CPO to acquire the necessary land interests in the Site and, as necessary, the creation of new rights, pursuant to sections 201 and 207 of the Localism Act 2011 and the Acquisition of Land Act 1981 to secure the regeneration of the Area by facilitating the regeneration or development of the Site;*
 - *agrees to authorise the Chief Executive to take all necessary steps to continue the process for the making, confirmation and implementation of the CPO, including preparing all necessary CPO documentation; and*
 - *notes that a further report will be put before the Board to approve the final extent of the land to be acquired following the finalisation of the necessary preparatory work.*
2. Subsequent to this, a draft CPO map was tabled at the July 2018 meeting of the STDC Board. After discussion regarding the extent of the land to be included in the CPO, the Board resolved as follows:
 - *authorises the making of one or more CPOs to acquire the necessary land interests in the Site and, as necessary, the creation of new rights, pursuant to sections 201 and 207 of the Localism Act 2011 and the Acquisition of Land Act 1981 ("1981 Act") to secure the regeneration of the Area by facilitating the regeneration or development of the Site;*
 - *agrees to authorise the Chief Executive to take all necessary steps to make one or more CPOs and thereafter to continue the process for the confirmation and implementation of the CPO(s); and*
 - *agrees to the submission of the CPO(s) to TVCA for consent to submit the CPO(s), once made, to the Secretary of State for confirmation pursuant to section 207(3) of the 2011 Act.*
3. Further updates as to the progress made with the proposed CPO(s) were provided to the STDC Board in September 2018, November 2018 and January 2019. At each of those meetings, revisions to the extent of the land to be acquired pursuant to the proposed CPO(s) were discussed with the Board.
4. The TVCA Cabinet consented to the submission of the CPO to the Secretary of State for confirmation and "The South Tees Development Corporation (Land at the Former Redcar Steel Works, Redcar) Compulsory Purchase Order 2019" was made on 11 April 2019, the affixing of the seal being authenticated by Mayor Ben Houchen.
5. The objections made to the CPO by SSI Thailand, Royal Bank of Scotland, Siam Commercial Bank, TISCO and Krung Thai argue that:
 - The CPO was made without any vote by the STDC Board authorising the CPO and contained material changes from the draft which was considered by the STDC Board in July 2018, without authority for those changes; and

- The CPO was signed and purported to be authorised by Ben Houchen who had no authority to do so.
6. A copy of the objection and related correspondence is appended to this report.
 7. A copy of the response made by the solicitors for STDC is also appended to this report.

FINANCIAL IMPLICATIONS

8. The financial implications of the CPO process have been incorporated within existing funding approvals and budgets. No changes to this arise in consequence of this report.
9. TVCA have previously approved £56.5m, and Central Government have approved £71m, towards the delivery of CPO and all associated STDC area regeneration activity.

LEGAL IMPLICATIONS

10. STDC made The South Tees Development Corporation (Land at the Former Redcar Steel Works, Redcar) Compulsory Purchase Order 2019 on 10th April 2019 pursuant to sections 206 and 207 of the Localism Act 2011 and the Acquisition of Land Act 1981.
11. The STDC Board received the necessary information at its Board meeting of 25 July 2018 and approved the making of CPO in accordance with legislation.
12. Confirmation of the CPO and the objections to it are to be considered by an independent inspector at a public inquiry scheduled to begin on Tuesday 11 February 2020. Evidence on behalf of STDC and objectors was exchanged on 21 January 2020 and is available for Board Members to read.

RISK ASSESSMENT

13. The Board considered all relevant risks to the making of CPO(s) at its meeting on 25 July 2018.

CONSULTATION & COMMUNICATION

14. The STDC Board will continue to comply with all necessary consultation processes required as part of the CPO process. STDC's case for the CPO and the scheme under it will be made at the forthcoming inquiry

EQUALITY & DIVERSITY

15. There are no Equality and Diversity implications associated with this report.

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