

PROOF OF EVIDENCE

Evidence of:

Mr Matt Stockwell

On behalf of:

British Steel Limited (in compulsory liquidation)

In respect of:

The South Tees Development Corporation (Land at the Former Redcar Steel Works, Redcar)
Compulsory Purchase Order 2019

At:

Land at the Former Redcar Steel Works, Redcar

Date:

21 January 2020

1. DETAILS OF WITNESS

- 1.1 My name is Matt Stockwell and I am the Manager for Construction at British Steel Limited's (herein referred to as "**BSL**") the Teesside Beam Mill ("**Mill**").
- 1.2 I have been involved in operations at the Mill since 1998, working in multiple functions across the site including technical, operational and supply chain functions. I have also worked in multiple plants on the broader site, including the Steel making plant, the former Coil Plate Mill and Teesside Beam Mill. As part of my role, I have been responsible for controlling the flow of all materials arriving and departing from the Mill via rail and road routes as well as all associated Operational, Engineering and Services.
- 1.3 I confirm I am familiar with the localities and that in so far as stated in my proof are within my own knowledge I have made clear which they are and I believe them to be true, and the opinions I have expressed present my true and complete professional opinion.

2. INTRODUCTION

- 2.1 My evidence is prepared in support of the objections to the South Tees Development Corporation (Land at the Former Redcar Steel Works, Redcar) Compulsory Purchase Order 2019 ("**CPO**") by BSL relating to the redevelopment of land at the former Redcar Steel Works, Redcar.
- 2.2 The CPO was made by South Tees Development Corporation ("**STDC**") to assemble the land required to implement South Tees Regeneration Master Plan ("**Masterplan**") on 4 April 2019.
- 2.3 The land comprised within the CPO is predominately situated on land that adjoins BSL's property, although the CPO includes small portions of land where BSL has occupational assets. Notwithstanding this fact, the land included within the CPO is extensive and sufficiently close to BSL's land that it will have a material impact on both the existing use and operations of the Mill and any proposed redevelopment opportunities.
- 2.4 In my evidence I will provide more detail regarding BSL's objection and the potential impacts of the CPO on BSL's operations at the Mill if STDC do not provide the appropriate and necessary protections.
- 2.5 My evidence proceeds on the following basis: Section 3 provides a description of BSL's ownership and the Mill; Section 4 summarise the CPO and the powers sought in respect of specific plots that impact on the Mill's operations; Section 5 provides a summary of the BSL objection and the impact it will have on the current operational arrangements; and in Section 6, I provide my summary and conclusions.

3. THE BSL SITE

- 3.1 BSL owns and operates the world-renowned Mill, a 120 hectare site with operations focused solely on the production of long sections and profiles (e.g., steel beams and columns for the construction industry). The location of the Mill is shown on the plans attached as **Appendix 1**.

- 3.2 With over 60 years in operation, the Mill currently employs over 450 people in the hot rolling and finishing of steel structural sections for use in the construction industry and continues to invest significantly in the plant and the South Tees region.
- 3.3 The Mill supplies to UK and worldwide markets including stockholders and Building fabricators / End-users. The Mill is the only UK based manufacturer of large beams and columns used in the UK construction industry. The Mill has supplied its steel products to an extensive range of prestigious UK and international projects and applications, including the Millennium Stadium, Wembley Stadium, The Shard and Heathrow Terminal 5, and as such is a strategic asset for the UK Construction industry and is well-positioned to play a significant role in the construction of HS2, the Hinkley Point C nuclear power station, and the future expansion of Heathrow. Alongside its construction function, the Mill also includes the Teesside Service Centre which provides a national hub for the processing, and distribution of structural steel for construction applications and is responsible for managing and distributing around 100,000 tonnes of the company's construction steel stock from the Mill, the sections mill in Scunthorpe, North Lincolnshire, and the Skinningrove steelworks, North Yorkshire.
- 3.4 The current production level approaches 0.5 million tonnes per annum, with capacity for increasing this to 1.0 million tonnes. BSL imports raw slab steel by rail from its Scunthorpe site for use at the Mill and is well positioned on the logistics network with close proximity to the Network Rail Main Line and the Redcar Bulk Terminal (owned and operated by Redcar Bulk Terminal Limited) and the national road network, allowing products to reach UK, European and global markets quickly. The facility is therefore reliant on preservation of the existing, favourable rail and road connections in South Tees for its operational viability.

4. DESCRIPTION OF THE CPO

- 4.1 The CPO proposes to acquire a number of properties in order to implement the Masterplan. BSL is the freehold owner of a number of plots of land that adjoin the CPO land, with one portion of the Mill proposed to be acquired through this CPO.
- 4.2 A number of the plots included in the CPO provide key road, rail and utilities infrastructure that are critical to the operation of the Mill. The following table sets out the CPO plot numbers that include BSL's infrastructure for the Mill (as shown on **Appendix 2**):

Plot(s)	Proposed CPO Power	Operational infrastructure affected by the CPO
1, 19, 22, 24-29, 31, 33, 52 - 64	Land to be acquired and new rights to be acquired	<ul style="list-style-type: none"> These plots contain the operational railway assets used by BSL to access the Network Rail network (onto the Scunthorpe and Skinningrove sites and BSL customers) and the Redcar Bulk Terminal.
Various plots surrounding	Land to be acquired	<ul style="list-style-type: none"> A number utilities (i.e. gas, water, sewage, electricity infrastructure and connections) are shared between the Mill and adjacent sites and

the Mill		located either within the Mill site or on land affected by the CPO.
1, 19, 38, 21, 22, 24, 34 – 45, 52 – 60, 92 – 107, and 122 – 134	Land to be acquired and new rights to be acquired	<ul style="list-style-type: none"> These plots contain the key road routes used by BSL to access the Redcar Bulk Terminal and the wider road network.
51	Land to be acquired	<ul style="list-style-type: none"> This Plot provides access to the main entrance to the Mill (via Lackenby Gate).
63 (small portion of BSL Land)	Land to be acquired	<ul style="list-style-type: none"> A small portion of Plot 63 encroaches on to Teesside's finished product storage area, locally known as Prairie 4.
64	Land to be acquired	<ul style="list-style-type: none"> This plot contains the operational railway assets used by BSL to access the Network Rail network (and onto Scunthorpe and Skinningrove and BSL customers) and the Redcar Bulk Terminal.

5. BSL OBJECTION

5.1 BSL objected to the CPO by letter dated 9 May 2019, a copy of which is at **Appendix 3**. The grounds of this objection as set out in that letter can be summarised as follows:

- 5.1.1 While the majority of BSL's land is not included within the CPO, there are a number of plots included within the CPO within which key utilities and access infrastructure necessary for the operation of the Mill are located.
- 5.1.2 In addition, a small portion of Mill has been included within Plot 63 of the CPO and BSL is the occupier of railway assets that are located within Plot 64 of the CPO.
- 5.1.3 While BSL supports the objectives of the Masterplan in principle, confirmation of the CPO is likely to result in the use of this infrastructure being severely restricted and/or revoked which would have serious, adverse impacts to the continued operations and future redevelopment opportunities at the Mill. These impacts would be contrary to STDC's primary focus which, as set out in the Statement of Reasons, is to "contribute to the physical regeneration...of its area by bringing back into use the Order Land".
- 5.1.4 In order to avoid any impact on its operations, BSL requires protections from STDC (either within the CPO or via private agreement with STDC) that access to and use of utilities and occupational assets will not be impacted by the CPO and will be maintained at all times either as it currently is or through some re-provision (if required).

- 5.2 The purpose of this evidence is to provide further detail on how the CPO will impact on the current operations and future redevelopment potential of the Mill.

Impact of the CPO on the current operational arrangements for the Mill

Current vehicular access

- 5.3 The majority of exports from the Mill are by road. Primary vehicular access (including export of finished product) is via the Lackenby Main Gate. The Mill can also be accessed via the Redcar/South Bank/Cleveland Gates (located on STDC land), the Wilton service corridor and PD ports direct site access route; however, the primary access point for the Mill is via the Lackenby Gate. Vehicles then travel along the A1085 Trunk Road and/or the Tees Dock Road and internal access roads to the Redcar Bulk Terminal.
- 5.4 Plot 51 of the CPO comprises the hot metal track which runs immediately adjacent to the Mill up into the Sahaviriya Steel Industries ("SSI") land adjoining the Redcar Bulk Terminal. While BSL's land is not included within Plot 51, Plot 51 crosses the Mill's main access entrance at the Lackenby Main Gate. Acquisition of this land would mean that the Mill's key access entrance is cut off from the A1085 Trunk Road and would prevent movement of all deliveries, staff and finished products to and from the Mill which would severely restrict, if not prevent, the continued operation and viability of the Mill. Access over Plot 51 must therefore be maintained for all current and future operations.
- 5.5 Plots 1, 19, 38, 21, 22, 24, 34 – 45, 52 – 60, 92 – 107, and 122 – 134 comprise parts of the A1085 Trunk Road and Tees Dock Road. As noted above, these routes are the key vehicular routes between the Mill and the Redcar Bulk Terminal and the wider road network. While BSL supports the improvements that are intended to these routes, it has concerns with the impact on vehicle movements during any construction works. In the event that access to the Mill Site is restricted (either through reduced vehicular movements along these routes or their complete obstruction), this would significantly adversely affect vehicular deliveries to and from the Mill. It is essential that BSL's access to these routes are retained to ensure that its operational capacity (and contractual commitments to customers) are adequately protected.

Current railway access

- 5.6 The Mill is heavily reliant on railway access to transport materials and finished products to and from the Mill. The main railway access from the Mill is via railway lines located within the Mill site which connect to the Network Rail Main Line and to the railway lines to the Redcar Bulk Terminal. These key railway lines are included within Plots 1, 19, 22, 24 - 29, 31, 33, 52 – 64 of the CPO. The rail grids (located within Plot 64) are continually in operation. They provide the sole connection to the Network Rail Main Line and are also used for splitting long mainline trains to enable both onsite deliveries and onward journeys to other BSL sites (such as Skinninggrove and Scunthorpe), BSL customers and the Redcar Bulk Terminal. This route currently delivers up to 0.5 million tonnes of feedstock and is the only access point to the Network Rail Main Line. Given the critical nature of railway access to the Mill's operations, it is absolutely essential for the viability and continued operation of the

Mill (particularly as road access will also be affected by the CPO) for existing railway access to be protected.

Impact on shared utilities

- 5.7 A number of utilities are (i.e. gas, water, sewage, electricity infrastructure and connections) located either within the Mill site or on land affected by the CPO. Any impact to the continued provision of these services (both in terms of connection and capacity) would materially impact the operations at the Mill. It is essential that these services are protected from any disruption, and where they can no longer be retained, alternative service provision (to the same standard) is re-provided.

Existing protections for access and utilities

- 5.8 BSL notes that the current access and service arrangements for the Mill is secured through a shared services agreement which was entered into between Tata Steel and SSI in 2012. In order for BSL to withdraw its objection, BSL requires confirmation from STDC (through a separate agreement) that the protections provided in the site sharing agreement will continue, regardless of the powers and activities undertaken pursuant to the CPO (if confirmed).

Impact on operational storage areas

- 5.9 A small portion of Plot 63 of the CPO encroaches on the Mill's finished product storage area, locally known as Prairie 4. This storage area is integral to the service offering for the construction market both for the UK and worldwide.
- 5.10 The Mill rolls material in batches, with over 40 different sizes offered this means there may be up to 13 weeks between sizes. It therefore needs the ability to store products on behalf of our customers for a significant period of time. The portion of land required by Plot 63 will require BSL to incur additional costs in order to move a bund area (required for safety segregation) and potentially lose a number of storage locations in order to provide the additional land required to store materials that would otherwise be stored on Plot 63. Whilst this area is not critical it will require replacement which will result in additional land and costs for BSL which STDC is not contributing towards.

The impact the CPO will have on future redevelopment opportunities

- 5.11 The Mill has the potential for a number of redevelopment opportunities which could expand the operational capacity of the Site and involve significant investment in the plant and surrounding infrastructure. Any reduction or obstructions to the existing access or service provision, or ability to expand the current infrastructure, would ultimately reduce the development potential and opportunities for the Mill site.

6. DISCUSSIONS WITH STDC

- 6.1 BSL has had preliminary discussions with STDC in August 2019 over the protections necessary to safeguard BSL's operations at the Mill; however, following the recent insolvency and sale of BSL, discussions had to be put to one side. As noted above, BSL is not opposed to the regeneration proposed under the Masterplan; however, it just seeks assurance that its operations will not be materially impacted by the CPO.

- 6.2 BSL and STDC have a good working relationship and BSL will seek to urgently re-engage with the view that an agreement can be entered into which ensures BSL's current access and utilities arrangements for the Mill continue to be protected. However, until such time as that agreement is actually entered into by BSL and STDC, BSL is unable to withdraw its objection to the CPO.
- 6.3 BSL hopes to be in a position to update the Inspector as to the progress of discussions or that an agreement has been reached with STDC at the Inquiry. BSL will work proactively with STDC over the coming weeks to seek to agree the arrangements necessary for it to withdraw its objection.
7. **CONCLUSION**
- 7.1 For the reasons set out in BSL's objection and detailed above in Section 5, BSL has significant concerns that the CPO will materially impact the current access and utilities provision at the Mill and its continued operation as the UK's sole manufacturer of large beams and columns used in the UK construction industry.
- 7.2 As noted above, BSL will urgently engage with STDC with a view of reaching agreement on the protections necessary for BSL to withdraw its objection.

Appendix 1: BSL Site Ownership

Appendix 2: CPO Site Plans

Appendix 3: BSL Objection to the CPO

Appendix 1: BSL Site Ownership



Appendix 2: Relevant CPO Plans

Sheet 1: <http://bailey.persona-pi.com/Public-Inquiries/redcar/core-documents/a-2-1.PDF>

Sheet 2: <http://bailey.persona-pi.com/Public-Inquiries/redcar/core-documents/a-2-2.PDF>

Sheet 3: <http://bailey.persona-pi.com/Public-Inquiries/redcar/core-documents/a-2-3.PDF>

Sheet 4: <http://bailey.persona-pi.com/Public-Inquiries/redcar/core-documents/a-2-4.PDF>

Sheet 5: <http://bailey.persona-pi.com/Public-Inquiries/redcar/core-documents/a-2-5.PDF>

Sheet 6: <http://bailey.persona-pi.com/Public-Inquiries/redcar/core-documents/a-2-6.PDF>

Appendix 3: BSL Objection

Secretary of State for Housing Communities and
Local Government
Planning Casework Unit
5 ST Philips Place
Colmore Row
Birmingham
B3 2PW

Your Ref:

Our Ref: VKDC/42394.41

Direct Line: +44 20 7863 8382

Email: victoria.ducroz@forsters.co.uk

Date: 9 May 2019

Dear Sirs

**The South Tees Development Corporation (Land at the Former Redcar Steel Works, Redcar)
Compulsory Purchase Order 2019 (the "Order")**

We are instructed by British Steel Limited (the "Client") to advise in connection with the Order. South Tees Development Corporation ("STDC") made the Order on 4 April 2019 and intend to submit to the Secretary of State for Housing, Communities and Local Government for confirmation under Section 207 of the Localism Act 2011 and the Acquisition of Land Act 1981. On behalf of our Client, we are writing **to formally object to the Order**.

The majority of our client's main proprietary interest in the area (the Lackenby Works, also known as the Teeside Beam Mill (title number CE225745 ("Lackenby"))) is not the subject of the Order. However, a small portion of the site is included within the CPO (Plot 63) and our client is an occupier of assets located within Plot 64. In addition, land to the east of Lackenby (Plot 51) is included within the Order and this raises questions over the road and rail access for Lackenby, in particular the main gate access, access to the main line rail connection, continuation of rail operations carried out on the rail grids north of Lackenby. Utilities that serve Lackenby are located on Plots that are the subject of the Order.

Our client's grounds for objecting to the Order are that the acquisition of the Plots around Lackenby (in particular Plots 63, 64 and 51) could have a serious adverse impact on the continued operation of Lackenby. Lackenby employs over 400 people and enjoys a global reputation for manufacturing excellence, having recently marked its 60th year of operation. Lackenby supplied steel into Heathrow Terminal 5 and hopes to be a key supplier to the airport's latest expansion plans. Lackenby is also well-positioned to play a significant role in the construction of HS2 and Hinkley Point C nuclear power station. Our client continues to recruit and train skilled employees and invest significantly in the plant and the South Tees region. Our Client's aims and aspirations for Lackenby are therefore closely aligned with STDC's function; namely to promote the economic growth and commercial development of the Tees Valley by converting assets into opportunities for business investment and economic growth. However, if the Order is confirmed without the necessary protection for our Client in respect of rail and road access to its land holdings and other operational sites and assets and the secure and continued provision of services, it will have a serious, adverse impact on the continued operation of Lackenby. This would be contrary to STDC's primary focus which, as set out in the Statement of Reasons, is to "contribute to the physical regeneration and environmental regeneration of its area by bringing back into use the Order Land".



Our client has identified that some of the ownership boundaries on the CPO plans do not match the Land Registry title plans. In addition it is not clear whether the land, owner by our Client, between the hot metal track and the A66 is included in the Order or whether a triangle of land at southern tip of Lackenby, also owned by our Client, which houses Lackenby's natural gas connection is included within the Order. Our Client's interests are not included in the Schedule to the Order in respect of these areas. We request a meeting with STDC to discuss the various discrepancies to get clarity on the full extent of the impact of the Order on our Client's land holdings, assets and rights.

Our Client maintains that the Order should not be confirmed until the concerns and grounds of objection which it raises have been satisfactorily addressed.

We would be grateful if you would acknowledge safe receipt of this letter. Furthermore, we would ask that the objection be considered at any Public Inquiry held to assess the merits of the proposed Order. We reserve our Client's right to add or amend these grounds of objection, in particular in light of the potential boundary discrepancies.

Should you require any further information or clarification of the issues raised, please contact Victoria Du Croz of this office.

Yours faithfully

Forsters LLP

