

THE SOUTH TEES DEVELOPMENT CORPORATION  
(LAND AT THE FORMER REDCAR STEELWORKS, REDCAR)  
COMPULSORY PURCHASE ORDER 2019

Second Witness Statement of Simon Melhuish-Hancock

**Appendix 12:**                    **Contemporaneous notes taken at the meeting  
dated 29th March 2019**



## Internal Memorandum

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**From:** Elisa Spanu

**Date:** 29 March 2019

**To:**

**Subject:** Minutes from SSI Meeting

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In Attendance:

Mishcon de Reya LLP

Anita Rivera (AN)

Raza Khan (RK)

Thai Banks

Mr Wittaya Techakosol (WT)

Mrs Surang Thanutthanon (ST)

Mr Yook Sophan (YS)

Mr Sarunthorn Chutima (SC)

DWD

Peter Roberts (PRT)

SSI

Mr Win Viriyaprapaikit (WV)

Simon Melhuish-Hancock (SMH)

Peter Rowson (PRW)

STDC

Paul Booth (PB)

David Allison (DA)

Mike O'Connor (MC)

Steve Gibson (SG)

BEIS

Alex Taylor (AT)

GVA

Mike King (MK)

Other

John McNicholas (JN)

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*[Notes of client-only pre-meeting redacted]*

## **11:20: Beginning of Meeting**

AR: (opening meeting) I would like to give an overview and agree the purpose of the meeting. The banks' perspective is we must agree a fair price of the SSI land. It is important to move forward and agree objectives. Nobody is happy with the site, it is in a dire state and the banks acknowledge this. It is not the banks' fault and they are being commercially realistic.

SG: I disagree with it all and I will not recognise the agenda. This meeting will not last five minutes.

AR: Well, good-bye then because you are undermining the purpose of this meeting.

SG: What you said is not evidenced. Twelve months was spent doing this valuation.

AR: An immense amount of due diligence went into this.

SG: We are not interested in RBT. We will run a CPO with immediate effect.

AT: We appreciate everything that has been going on, the involvement of BEIS has been going on since October 2015. The official receiver was appointed in September 2012. There has been a normal liquidation process and the official receiver has been indemnified.

AR: That is because the official receiver will not accept the job unless indemnified.

AT: Lord Heseltine ran a review of the commercial potential of the area which is £140 million. They will be spending the same again until the end of 2022. This includes redundancy payments, payments made to staff. It is fair to say that, to date, there is no return from that. In terms of jobs and growth we have seen nothing, this is our concern.

AR: The banks accept this.

AT: We want this issue resolved. Can we see the masterplan?

SG: This is not a negotiation.

AR: In terms of the CPO-

PB: We acquired the TATA land, the local government lost projects trying to get onto SSI land. That is what the focus is on. We have no interest in RBT. Two years have been spent on working on the CPO process. We could have triggered it yesterday but we did not. We will let the CPO run its

course and we will try to reach an agreement. Or this will go to a land tribunal and it will take into account all the negative parts. We are prepared to let that happen, it is a bad place for the banks to get to.

AR: That is okay, the position is acceptable.

PB: The offer is on the table, or we could take out a land chamber contract. We should not have a problem with going into binding arbitration or another offer. Either way we do not care.

AR: We all agree the CPO exercise, now we look at the valuation. The banks looked at the GVA report, the banks took advice. PRT used the CPO methodology, GVA applied a different scheme.

MK: That is wrong. The correlation is wrong. This is about the valuation of land, you cannot cherry pick.

AR: We have taken QC advice and he fed back with the methodology for this circumstance. So we must go to that right now.

PB: Then we need a time out.

**(PB, DA, MC, MK, JN, SG, AT leaving room)**

**11:34 (PB, DA, MC, MK, JN, SG return to room)**

AT no longer present, she has been called back and will not be returning to the meeting.

PB: We must trigger the CPO and we will be doing so next week. We have spent two years getting to this point. After the trigger we can concentrate on the valuation with the CPO context. There is no point discussing GVA's valuation.

AR: We need the GVA valuation redone with a CPO context. It is better for respective consultants to talk-

SG: We will not engage with your valuations. We have engaged with our duties throughout the CPO but the respective consultants must have dialogue.

AR: To progress the CPO we must discuss valuation. Can we start to the process early? We are able and willing so the process can start.

MK: No the claimant submits a claim.

AR: The normal process is to submit a CPO valuation.

MK: Which we have done.

AR: You have not.

PB: We will not negotiate today. We will trigger the CPO. We deal with the official receiver.

AR: You must also deal with qualified persons.

PB: We have, we have dealt with official receiver.

AR: Yes and RBS. The objections are not based on quantum.

SG: Let's move onto the process.

AR: When you have notified RBS security agents we expect to get directly notified by the security agent and trustees for the bank. Please notify us.

JN: We will follow the process

AR: In terms of notice given, give it to RBS and then notify us.

SG: We will do everything by the letter.

JN: A lot of time has been spent on CPO activity. If this means that we should do something, we will do it.

SG: We have not picked pockets and we expect the same. There is no seller's price and there is no buyer's price.

AR: You have not asked us to defend the statement as to why we think your price is not the fair price. The banks are not looking to rip off central government funds.

SG: There is a question of credibility. The best thing to do is to bring this to an end.

**11:44: end of meeting**

*[Notes of client-only debrief redacted]*