

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

Second Witness Statement of Simon Melhuish-Hancock

Appendix 13: **Addleshaw Goddard letter to Mishcon de
Reya dated 5th April 2019**

Your reference AMR/EVC/56967.1

Our reference MGO/CORRC/362783-1

5 April 2019

Anita Rivera
Partner
Mishcon de Reya
Africa House
70 Kingsway
London WC2B 6AH

Dear Anita

Tees Valley - SSI – Thai Banks

I thought it would be useful to write following last week's meeting to pick up on a number of points.

I appreciate that it was a difficult meeting and a number of people had travelled a long way for that session; some further than others.

As we described at the meeting, STDC will be making a CPO order imminently in relation to land that includes the SSI site. You have asked us to provide you with copies of the relevant notices when they are available and you confirmed that RBS as security trustee has been put on notice to receive them. It is my understanding that the notices will be issued on 11 April 2019. I have asked the relevant team at STDC to let me have a copy of the relevant notice so that I can pass it on to you.

It is my understanding that notwithstanding the making of a CPO order the parties should attempt to continue to negotiate around valuation.

I strongly believe that the difficulties which emanated at the meeting last week arose as a consequence of significant frustration on the part of STDC that despite carrying out their valuation process in January 2019, the Banks have not provided a substantive response to the offers made by STDC.

It may well be that the Banks still require some further information however that should not prevent a formal response which could form the basis of a negotiation.

The STDC team feel that instead the Bank's approach has been to attack the independence of STDC's valuations, or the basis upon which they have been produced. That does not in my view move us forward and only serves to inflame tensions. It does not help matters when the Banks are perceived to be holding their cards close to their chest with regards to their counter proposal on valuation.

You have however explained to me that the Banks are desirous of reaching an agreement on the right terms and so are STDC. To this end STDC is willing to enter into non-binding negotiation with your clients with the understanding that if there is a failure to agree then the matter will ultimately be referred to the Land Tribunal for determination. Alternatively, if your clients are confident of their valuation, then STDC is willing to enter into a Land Chamber contract with your clients which would lead to the valuation being resolved through binding arbitration.

In the circumstances, STDC remain committed to negotiating through the above arrangements in good faith.

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Anita Rivera
Partner
Mishcon de Reya

5 April 2019

Given where we are I would be grateful if you would take instructions on this as a way forward.

I look forward to hearing from you.

Yours sincerely



Michael O'Connor
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for Addleshaw Goddard LLP

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