

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

Second Witness Statement of Simon Melhuish-Hancock

Appendix 15: **Mishcon de Reya letter to Gowling WLG
dated 7th October 2019**

Our Ref: 59146.1

Your Ref:

Vicky Fowler
Partner
Gowling WLG
4 More London Riverside
London
SE1 2AU

Africa House
70 Kingsway
London WC2B 6AH
DX 37954 Kingsway

www.mishcon.com

7 October 2019

BY EMAIL (VICKY.FOWLER@GOWLINGWLG.COM)

Dear Vicky

**The South Tees Development Corporation (Land at Former Redcar Steel Works, Redcar) Compulsory Purchase Order 2019
Former land interests of Sahaviriya Steel Industries UK Limited (in liquidation)**

Thank you for your letter of 4 October 2019 and electronic enclosures which I confirm have been received correctly.

Whilst the provision of some of the documents requested in my earlier correspondence is appreciated, I find the remaining contents of your letter surprising. As we have discussed and as made clear in my letter of 22 August 2019, my clients are not prepared to continue to incur costs in connection with the evaluation of your client's offer for the land in the absence of an undertaking for those costs. It is therefore unclear why your letters of 28 August, 20 September and 4 October have all called for a meeting between valuers if, in fact, your client is unwilling to enter into the usual arrangement for costs of such a meeting.

Your letter of 4 October states that "*We are not yet in the realms of working towards a compromise or settlement agreement*". I find it difficult to interpret that statement as anything other than a refusal to negotiate. It carries the necessary implication that your client's intended purpose in seeking the meeting between valuers that you have requested is something other than an effort to reach a compromise or settlement. Please therefore would you clarify the purpose of your suggested meeting?

Your client has shown no genuine interest in constructive dialogue. Our clients have made multiple trips from Thailand in an effort to engage with your client. However in response the shared leadership team of both the South Tees Development Corporation and South Tees Site Company Limited have established a track record of resisting repeatedly the release of information, of inflammatory and inaccurate press statements, of storming out of meetings, and even of verbal abuse of my clients' team members.

56117545.1

Switchboard: +44 (0)20 3321 7000
Main Fax: +44 (0)20 7404 5982

London: Mishcon de Reya LLP
New York: Mishcon de Reya New York LLP

Mishcon de Reya is a limited liability partnership, registered in England and Wales (number OC399969), authorised and regulated by the Solicitors Regulation Authority, SRA number 624547.

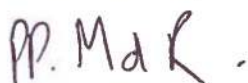
As you will recall, your client's original overture and the basis of valuation underpinning it was contingent on a 'package deal' which included the transfer of shares in Redcar Bulk Terminal Limited, at a gross under value. Such a share transfer raises issues wholly outside the scope of land value, and cannot be said in any way to be a substitute for the land-only offer eventually made after our clients' objections to the confirmation of the Order pointed out that no such offer for the land only had been forthcoming.

I expect that these matters and the related correspondence will feature in my clients' submissions both in connection with any proceedings that may arise in the Upper Tribunal, and also in the forthcoming public inquiry. Your client's attempt at the use of compulsory purchase powers is both ill-considered and premature. It has failed to engage properly with my client as to the possibility of negotiated acquisition of the land. It could hardly be clearer that your client is treating the proposed compulsory purchase as a mechanism of convenience, rather than one of last resort.

My clients are willing to discuss valuation, timing and terms on which a transaction consistent with the Order purposes might be possible. I reiterate, however, that it is unwilling to incur costs in doing so. I hope therefore that your client reconsiders its position as to provision of an undertaking in respect of the costs of considering the belated offer for the subject land. Until then, I do not see that further correspondence on valuation issues is possible.

We no longer intend to carry out a site visit on 16 October but are considering dates in November and will confirm further in due course.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Anita Rivera'.

Anita Rivera
Partner

Direct Tel: +44 (0)20 3321 7901
Direct Fax: +44 (0)20 3006 8956
Email: anita.rivera@mishcon.com