

Summary Proof of Evidence of David Allison

**The South Tees Development Corporation (Land at the former Redcar Steelworks, Redcar)
Compulsory Purchase Order 2019**

Acquiring Authority: South Tees Development Corporation

January 2020

Table of Contents

1. Introduction	3
2. Site Management and Organisation	3
3. The Decision to Make the Order	4
4. Vision.....	4
5. Compliance with Compulsory Purchase Policy	5
6. Conclusion.....	5

1. Introduction

- 1.1 My name is David Allison. I am the Chief Executive Officer of South Tees Development Corporation ("STDC") and South Tees Site Company ("STSC").
- 1.2 During my career, in addition to being a Chartered Engineer and IOD Chartered Director, I have held roles at senior Board level overseeing manufacturing, operations, business development and inward investment.
- 1.3 STDC was formed in 2017 pursuant to the powers devolved to the Tees Valley Combined Authority ("TVCA"), chiefly in response to the liquidation of SSI UK and the closure of Redcar Steelworks in 2015 ("the SSI land"). Its purpose is to secure the regeneration of the STDC area.
- 1.4 STDC published the draft South Tees Regeneration Master Plan in October 2017 setting out the vision for regeneration of its area ("the Master Plan"). The Master Plan provides a long term flexible framework of redevelopment of some 2,300 acres of land for industrial purposes and the enhancement/management of a further 600 acres of environmentally-designated assets within the overall 4,500 acre footprint of STDC's constituted boundary, creating 20,000 jobs and in excess of £1bn economic benefit (GVA).
- 1.5 The fragmented ownership of the STDC area was identified at the outset by STDC as being an impediment to securing regeneration of its area. STDC resolved to make a compulsory purchase order if the necessary land interests could not be secured by agreement. Land interests held by Tata Steel were successfully acquired in February 2019 but, despite extensive negotiations, it has not been possible to acquire the SSI land and other necessary interests. STDC consequently made a compulsory purchase order in April 2019 to acquire land, including the SSI land, within the STDC area ("the Order").

2. Site Management and Organisation

- 2.1 Immediately following the 2015 closure of Redcar steelworks, the Official Receiver ("OR") was appointed to manage the SSI land. STSC was established by the UK Government in 2016 and assumed responsibility for the safe management of the SSI land through a management agreement with the OR. Currently around 2,500 routine maintenance and keep safe activities are completed by STSC each month.
- 2.2 The large inventory of hazardous material on the SSI land, a legacy of historic manufacturing, has resulted in the SSI land being designated COMAH Upper tier status. The deteriorating nature of the assets on the land has created considerable safety, health and environmental challenges (approximately 5,000 tonnes of hazardous material remains on the land) which requires addressing strategically as a matter of urgency. To prevent the occurrence of fire from deposits spontaneously igniting on exposure to air, nitrogen is used widely across the land. The 27km long coke oven gas main is an example of this. High and low voltage electrical distribution systems are maintained along with fire detection, effluent management and control of asbestos containing materials. Extensive 24/7 security and emergency standby rescue services is also required. The daily challenges on and hazardous nature of the land were tragically illustrated in September 2019 with two fatalities following works to prepare ammonia scrubbers for demolition.
- 2.3 With a cost of circa. £16m per annum for keeping safe the SSI land under COMAH status, the Government approved a decontamination project valued at £49m to remove top tier COMAH

materials from site. Successful completion of this work, currently scheduled for March 2022, will support the regeneration of the STDC area.

- 2.4 Since the closure of the steelworks, the Government has invested and approved significant funding totalling circa. £221m to keep the SSI land safe, to operate STSC through to 2022, to implement the decontamination project and to fund other safety related project expenditure. This excludes the £71m recently allocated to support the regeneration of the STDC area (see Gary Macdonald's evidence (**STDC3**)).

3. The Decision to Make the Order

- 3.1 STDC is empowered pursuant to s.206 and s.207 of the Localism Act 2011 ("2011 Act") to acquire land in its area or elsewhere by agreement or, on being authorised to do so by the Secretary of State, compulsorily. Part 1 of Schedule 2 to the Housing and Regeneration Act 2008 applies to the acquisition of land by STDC as it does to Homes England under that Act. S.207(4) of the 2011 Act provides that STDC's compulsory acquisition powers includes the ability to acquire new rights over land.
- 3.2 Having identified the fragmented land ownership of the STDC area as an impediment to securing its regeneration, STDC commenced communications with major landowners with a view to acquiring land by agreement in 2017. This resulted in the successful acquisition of 1,420 acres of land owned by Tata Steel. However, despite extensive negotiations with those interested in the SSI land (including making offers, exploring gain share arrangements and proposing a Lands Tribunal Contract), it has not been possible to acquire the SSI land. Not only does this prevent the regeneration of that land, but, due to agreed land option arrangements, a significant proportion of the former Tata Steel land cannot be developed prior to March 2023 without the agreement of those interested in the SSI land, which has not been forthcoming.
- 3.3 With private treaty negotiations stalling, STDC decided to proceed with making of the Order to secure land assembly. Notwithstanding the making of the Order, STDC has continued to engage with landowners.

4. Vision

- 4.1 The Master Plan presents a once in a generation opportunity to drive the local economy and realise an industrial renaissance in the Tees Valley.
- 4.2 Building on technological strengths, geographic advantage, industrial infrastructure, inherent labour skills and extensive engineering supply chain, there is an opportunity to build a sustainable, circular manufacturing economy focused on industrial scale growth powered by clean energy.
- 4.3 I consider that STDC is best placed to deliver the vision set out in the Master Plan and that, without STDC's intervention, the Master Plan is unlikely to be delivered or will be delivered but will not achieve the significant social, environmental and economic benefits capable of being secured.

5. Compliance with Compulsory Purchase Policy

- 5.1 In exercising its compulsory purchase power, STDC has had regard to the guidance 'Compulsory purchase process and the Crichel Down Rules' (July 2019) ("the Guidance") (CD/C/3).
- 5.2 In particular, STDC has been mindful that an order 'should only be made where there is a compelling case in the public interest' and that the purposes for which an order is made 'sufficiently justify interfering with the human rights of those with an interest in the land affected'. STDC has further had regard to section 4 of the Guidance on orders made by urban development corporations under the Local Government Planning and Land Act 1980; there being no specific guidance on STDC's power.
- 5.3 Due to its fragmented ownership, I do not consider that the regeneration of the STDC area will proceed without the intervention of STDC by compulsory purchase. The significant burden on Government to keep the SSI land safe is unsustainable. The safety, health and environmental challenges continue to grow and STDC's intervention is crucial to ensure timely regeneration is secured. I am not aware of any legal, financial or planning impediments to delivering the proposed regeneration, or none which are not capable of being overcome. I am further satisfied that the significant benefits which will be secured through delivery of the Master Plan justify the use of compulsory purchase and that there is a compelling case in the public interest for the Order.
- 5.4 At its meeting in July 2018, the STDC Board, having considered the likelihood of delays to and benefits of securing regeneration of the STDC area, authorised the making of the Order. The Chair of the STDC Board, Mayor Ben Houchen, signed the Order and authenticated the seal in April 2019. The TVCA Cabinet consented to the submission of the Order to the Secretary of State for confirmation in March 2019.

6. Conclusion

- 6.1 The SSI land has been managed by the OR since 2015 at considerable expense to the UK taxpayer. In that time, I am not aware of any viable proposals coming forward to bring the land back into meaningful use. Both the OR and Government are keen to secure the future of the land, as evidenced by the recent Government funding commitment of £71m, and recognising that the land is hazardous, and becoming more so all the time, and that it is unsustainable for the keep safe arrangements to continue.
- 6.2 Securing land assembly through confirmation of the Order will enable STDC to move forwards in achieving the delivery of the Master Plan, which will deliver substantial benefits to Tees Valley by enabling the comprehensive regeneration of under-utilised industrial, manufacturing and employment land, and yielding significant economic benefits through sustainable job creation. The remediation of contaminated land will further contribute to the environmental wellbeing of the area.
- 6.3 I am satisfied that STDC has, in making the Order and submitting it for confirmation, had regard to all relevant considerations and that there is a compelling case in the public interest for confirmation of the Order.