Rebuttal Proof of Evidence of Anthony Greally BA (Hons) Dip TP MRTPI

The South Tees Development Corporation Compulsory Purchase Order

Acquiring Authority: South Tees Development Corporation

In response to the evidence submitted on behalf of Objectors to the Order

February 2020

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1.0 Introduction

- 1.1 I am Anthony Greally. I am a Senior Director in the firm of Nathaniel Lichfield & Partners ["Lichfields"].
- 1.2 This rebuttal proof of evidence ['Rebuttal'] has been prepared following consideration of the issues raised by the objectors in respect of the South Tees Development Corporation ["STDC"] (Land at the former Redcar Steel works, Redcar) Compulsory Purchase Order 2019 ["the CPO"].
- 1.3 In particular, I focus upon aspects of evidence from Mr Duncan Neil Parr of Rapley's LLP [DP-00] on behalf of Sahaviriya Steel Industries ["SSI"], Tisco Bank, Krung Thai Bank, and Siam Commercial Bank ["the Thai Banks"] whose interests extend to the SSI (in liquidation) ["SSI-IL"] land. Mr Parr's evidence essentially relates to town planning matters.
- 1.4 In the second part of this Rebuttal, I focus on aspects of evidence from Mr Ross Halley [OBJ-06] on behalf of Tarmac Trading Limited ["Tarmac"] and East Coast Slag Products Limited ["ECSP"], where he comments on the National Planning Policy Framework ["NPPF"] and national Planning Practice Guidance.
- 1.5 This Rebuttal is not intended to be an exhaustive response to every contention made in that evidence. It deals only with certain points where it is considered appropriate and helpful to respond in writing. Where specific points have not been dealt with, this does not mean that those points are accepted and they may be dealt with further at the Inquiry and / or in writing.
- 1.6 Where defined terms are used in my proof of evidence (STDC4/2), I have adopted the same usage of those terms in this Rebuttal
- 1.7 This Rebuttal should be read in conjunction with all of the evidence and rebuttal statements submitted on behalf of STDC.

2.0 Rebuttal in respect of SSI / Thai Banks' evidence

Factual Matters

- 2.1 In his proof of evidence, Mr Parr explains (at paragraph 2.3 and the accompanying plan) that land shaded red falls under the control of Tata Steel UK Limited. This is incorrect. That land (almost 1,500acres (600 hectares)) was acquired by STDC from Tata Steel in February 2019.
- 2.2 At paragraph 3.4, Mr Parr concludes that the office buildings known as Steel House (Plot 37) is ancillary to the principal Class B2 (general industrial) use of the site. I disagree with this conclusion. Steel House could be operated as offices wholly independently of any other operations taking place on the SSI-IL land. Its operation would have quite different and definable outward environmental effects to industrial operations on the wider SSI-IL land.
- 2.3 I conclude that Steel House is a definable planning unit falling within Use Class B1 as offices.
- 2.4 At paragraph 2.4 and 3.2, Mr Parr explains that there are two alternative schemes "proposed" by his client. The first is described as "the RBT proposal" ("Scheme A"), which is identified spatially as requiring Plots 1, 2 and 3 of the Order land and involves amalgamating this land with the Redcar Bulk Terminal (RBT) land to the north.
- 2.5 At paragraph 3.11, Mr Parr describes the proximity of the Teesmouth and ClevelandCoast Special Protection Area (SPA) as follows:

"To the northeast of the STDC Area are South Gare and Cotham Sands. They are both part of the Teesmouth and Cleveland Coast Special Protection Area (SPA). The STDC Area is within the 6km buffer zone for the SPA."

2.6 Mr Parr goes on, at paragraph 9.29, to describe the "Scheme A land" as being located *"adjacent to the Ramsar site and in close proximity to Teesmouth and Cleveland Coast SPA."*

- 2.7 It is important to note that, on 16 January 2020, an extension to the Teesmouth and Cleveland Coast SPA was confirmed. The SPA is now much more extensive than just South Gare and Coatham Sands. Rather than being in *"close proximity*", the boundary of the extended SPA is now conterminous with the Scheme A land as it now includes the Tees estuary adjacent to RBT (see plans A and B at Appendix 1.0: Plan A shows the extension to the SPA. Plan B shows the removal of land at Warrenby Reedbeds from the SPA. Lackenby Channel was also removed during the consultation period. Final boundary maps are currently being prepared by DEFRA).
- 2.8 In his assessment of the "Scheme A proposals" at section 8.0, Mr Parr does not appear to have regard to the immediate adjacency of the extended SPA.
- 2.9 In his evidence, Mr Parr fails to mention the proximity of the designated Teesmouth and Cleveland Coast Site of Special Scientific Interest (SSSI). Notification of the proposed SSSI commenced on 31 July 2018 (together with the proposed extension to the SPA) and it was confirmed by Natural England on 10 March 2019 (see plans C at Appendix 1.0). Mr Parr fails to take this designation into account in his assessment of "Scheme A" at section 8.0 of his evidence. This omission is of note because the "Scheme A Indicative Masterplan", enclosed at his Appendix 3, includes land within it that Mr Parr appears to describe as *"the north east section of the site to be used for port related industry, and storage and distribution*" (paragraph 6.6). This land, however, falls within the SSSI and forms part of the Bran Sands reedbeds, part of the sand dune system at Coatham Sands (see plan D at Appendix 1.0).
- 2.10 STDC actively engaged with Natural England during the notification period for the proposed extensions to the SPA and SSSI and has been aware of the proposed extensions during the preparation of its Regeneration Master Plan.
- 2.11 During the notification period for the proposed extensions to the SPA and SSSI, Natural England made amendments that included the removal of land at Warrenby Reedbeds (south of Tod Point Road) from both the proposed SPA and SSSI, in a location where the Regeneration Master Plan has shown the potential development of an access road to serve the North Industrial Zone. The Regeneration Master Plan

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(November 2019) was also amended so as to draw back the development area illustrated in the North Industrial Zone where Bran Sands Reedbeds (SSSI) is located (Plan D at Appendix 1.0). The amendments to both the proposed SPA / SSSI boundaries and to the Master Plan further my view that there are no obvious reasons why planning permission would not be granted for development in line with the Regeneration Masterplan.

Restarting Iron and Steelmaking

2.12 The alternative "Scheme B proposal" is described at paragraph 3.2 of Mr Parr's evidence as:

"... (the Steelmaking proposal) requires all of the land required for iron and steelmaking."

- 2.13 Scheme B is not defined, geographically, by reference to the plots in the Order land. Mr Parr does not clarify whether, in addition to the Redcar Ironmaking complex (plots 1, 2 and 3) and the Lackenby Steelmaking complex (plot 81), areas such as the South Bank Coke Ovens (plot 166), the former SSI High Tip facility ["High Tip"] (plot 157), the Solid Liquid Environmental Management System ["SLEMS"] facility (plot 145) and the Torpedo Ladle workshop (plots 107 and 108) are all necessary for restarting iron and steelmaking.
- 2.14 At paragraph 12.2, it is explained that Scheme B *"would require all of the land as identified as Scheme B land in Section 3."* However, Section 3 says nothing other than the following:

"...the land required to deliver Scheme B, as instructed by my client"

"... Scheme B (the Steelmaking proposal) **requires all of the land** required for iron and steelmaking."

2.15 On the basis of Mr Parr's evidence, it is unclear as to the extent of land, buildings and infrastructure, within the control of Mr Parr's instructing parties, that is required to restart iron and steelmaking.

I have, therefore, reviewed the evidence of other witnesses representing the same instructing parties in an attempt to find a definition of "the Scheme B land". Mr
 Melhuish-Hancock's evidence [SMH-00] at paragraph 8.3 states that:

"the first and primary objective, is the re-start of steel-making on the SSI land. This would involve the purchase of most of the SSI Land, together with all of the buildings, plant and equipment located on that land. If the re-start of steelmaking doesn't prove possible, then the alternative scheme..." (my emphasis in bold).

- 2.17 At paragraph 8.20 of Mr Robert's evidence [PR-00], it is made clear that:
- 2.18 "...SSI is also in negotiations with Jingye in respect of a JV requiring the entirety of the SSI Land and shares in RBT Ltd to enable the new entity to restart steel making using the existing facilities".
- 2.19 Collectively, this evidence sets out a position that most, if not all, of the SSI-IL land, and the buildings and infrastructure thereon, is necessary to restarting iron and steelmaking (though without any detailed explanation as to how and why). Collectively, this evidence, however, gives no explanation as to:
 - The costs and viability of restarting iron and steelmaking on all of the land and buildings that is owned by SSI-IL;
 - The physical state of the assets: the building structures, operating apparatus and supporting infrastructure;
 - What technologies are to be deployed to restart iron and steelmaking; or
 - Whether the buildings and infrastructure would need to be adapted to meet requirements for "best available technologies / techniques" (BAT).
- 2.20 In the statements of Messrs Parr, Roberts and Melhuish-Hancock, I find the level of information to be somewhat scant in explaining how and whether this "alternative scheme" is achievable. This is surprising when it is said to be SSI's *"first and primary objective*".

- 2.21 I then consider it to be somewhat of a leap of faith for Mr Parr to declare (albeit at his client's instruction) that *"there is no need for additional development to take place on the land to achieve this"* (i.e. restarting iron and steelmaking).
- 2.22 There are others who will address the Inquiry on behalf of STDC and explain the extensive dilapidation of buildings and infrastructure formally in use for iron and steelmaking activities within the SSI-IL land. I do, however, refer to the reports prepared by the Materials Processing Institute ["the MPI reports"] and provided in the appendices to the Rebuttal of Mr David Allison on behalf of STDC. The report titled *"Economic Assessment of the Restarting of Iron and Steel Making Using the Facilities Previously Operated by SSI Limited"* provides a detailed breakdown of what is likely to be necessary to restart the existing assets on the SSI-IL land. The assets are typically over 40 years old and not having any major investment since 2000. The following summarises some of the works likely to be required:
 - Replacement of basic oxygen steelmaking vessels;
 - Full rebuild of main coke oven batteries;
 - Full replacement of by-products plant;
 - Erection of new coke making facility to meet latest environmental standards;
 - Erection of new sinter plant to meet current environmental legislation; and
 - A full rebuild of the blast furnace.
- 2.23 The MPI report concludes that the overall cost estimate of reinstating iron and steelmaking, using the SSI-IL land and assets where possible, are in the region of £972 million. In the absence of any evidence to the contrary, any assertions that no further development is required to restart iron and steelmaking across most / all of the SSI-IL land are without foundation. Planning permission will be required for such operational development.
- In this context, I now comment on Mr Parr's suggestions (at paragraphs 12.5 12.9)
 that the iron and steelmaking use has not been abandoned and that recommencement
 can occur without the need for planning permission.

- 2.25 A grant of planning permission enures for the benefit of the land and all persons interested in it, and a valid permission capable of implementation cannot be abandoned by the conduct of an owner or occupier of land. If the permitted development on the land has been, somehow, completed, such that further use / reuse would require fresh planning permission, then the use will have been abandoned. These principles have been established in case law such as *Pioneer Aggregates (UK) Ltd v Secretary of State for the Environment [1984]* and *Newbury DC v Secretary of State for the Environment [1981]*.
- 2.26 I would agree with Mr Parr that, if the production of iron and steelmaking had "paused" in 2015, and the buildings, structures and infrastructure had remained in such a state that there are capable of re-use (without the need for additional development), then abandonment (in the sense that a previous lawful use has ceased) would not have taken place. This is evidently not the case.
- 2.27 I would also add that the need for planning permission for certain works does not necessarily mean that the previous use has been abandoned. For example, a use would not have been abandoned if planning permission is sought for works to modernise/ maintain or expand a facility that had ceased operation but where, without those works being carried out, an operation could nevertheless still be carried out in some form, within the ambit of planning permission previously granted for it and (particularly in respect of heavy industrial uses) in accordance with other regulatory requirements.
- 2.28 If, however, the works (for which planning permission is required) are essential to enable the facility to be brought back into operation, and without those works then the operation could not be recommenced (under the terms of its previous planning permission(s)), then it would follow that the use has been abandoned.
- 2.29 If the use has been abandoned then there is no lawful fallback position capable of being a material consideration in the determination of planning applications for works essential to its restart. The principle of the acceptability of the use of the land is,

therefore, to be considered in the determination of any applications for works that are essential to enable the use to recommence.

2.30 The MPI reports provide evidence that works are required that are essential to restarting iron and steelmaking in the assets currently on the SSI-IL land. Those works would require planning permission.

"Obvious Reasons" for the Grant of Planning Permission

- 2.31 In the paragraphs above, I have highlighted the circumstances in which the iron and steelmaking use (Class B2) would be deemed to have been abandoned. The MPI reports provide clear evidence that essential works are necessary to restart production and, therefore, the previous use has been abandoned. Planning permission would be required and the principle of the use should be reassessed by the determining authority.
- 2.32 At paragraph 6.3 of his evidence, Mr Parr gives the opinion that there are no obvious reasons in planning terms, for planning permissions not to be granted.
- 2.33 It is suggested by Messrs Parr, Roberts and Melhuish-Hancock (though somewhat without clarity or detail) that most if not all of the SSI-IL land would be required to restart iron and steelmaking. The extent and location of the SSI assets are shown on the plans at Appendix 3 of Mr Roberts' evidence [PR-APP-03]. They are dispersed across the STDC area and adjacent to land in the ownership of STDC. Most of the land parcels are shown for industrial redevelopment in the South Tees Regeneration Master Plan.
- As set out in my main Proof of Evidence, Local Plan polices (LS4 and ED6) [CD D2]
 both directly refer to the need to have regard to the South Tees Supplementary
 Planning Document (SPD) when considering development proposals.
- 2.35 The SPD was adopted in tandem with the Local Plan. The Local Plan Inspector recommended Main Modifications to the Local Plan [MM16 in CD/D1] in order to introduce direct references in both Policy LS4 and ED6 to both the South Tees Development Corporation and to implementing the South Tees SPD. The SPD

confirms (at Development Principle STDC1 and paragraph 3.2 [CD/D3]) that the Council will resist piecemeal development that would conflict with the comprehensive regeneration of the area for the creation of an exemplar world class industrial business park.

- 2.36 Should planning permission be sought for restarting iron and steelmaking, using most, if not all of the SSI-IL land and assets, as is suggested is necessary, the ability to implement comprehensive regeneration across the STDC, in accordance with the objectives of the SPD, will be significantly compromised.
- 2.37 Any such re-start solution would be at direct odds with the SPD objectives of achieving comprehensive redevelopment of the STDC area. As such, planning applications for works to enable the restart should be considered to be in conflict with Local Plan Policy LS4 part b. Such conflict could then form a valid policy basis for the refusal of planning permission.
- 2.38 If most or all of the SSI-IL land remains outside of the control of STDC (or remains with a party unwilling to work in collaboration with STDC) and is set aside, whether it be for the restarting of iron and steelmaking or other industrial purposes, the proper planning of the wider area to enable effective delivery of regenerative development would be significantly undermined. As explained in my proof of evidence [STDC/4/1, paragraphs 5.14 and 5.15], STDC has commissioned studies and strategies to identify optimum solutions for delivering infrastructure necessary to provide for development on the land, as illustrated in the Master Plan. This includes optimum highway solutions, site-wide surface water management solutions, site-wide opportunities for bio-diversity net gain, and site wide energy and utilities solutions on a piecemeal, development-by-development basis, which may well result in a reduction in developable land overall across the STDC area and a resulting reduction in economic outputs (ie lower job densities being achieved).
- 2.39 Being unable to plan for, and deliver, comprehensive regeneration of the STDC area, because of the SSI-IL land being in the control of an owner unwilling to co-operate

with STDC, would signal a failure in the delivery of adopted planning policy for the area. This policy is amplified through the South Tees Area SPD and was a policy strategy endorsed by a Local Plan Inspector who sought modifications to the policy of the Local Plan to make clear the importance of supporting STDC's comprehensive regeneration strategy and the implementation of the South Tees Area SPD.

- 2.40 Iron and steelmaking can be carried out using electric arc furnace (EAF) technology which would require less land and associated infrastructure than the SSI-IL land.
- 2.41 The MPI report appended to the Rebuttal of Mr Allison titled *"Economic Assessment of the Restarting of Steel Making using Electroc Arc Furnaces on the Facilities Previously Operated by SSI UK Limited"* explains how such technology would enable steelmaking to be restarted using primarily the Lackenby Steelmaking complex (Plot 81).
- 2.42 This area of land is a self-contained site immediately accessible from the A66 / A1053 and south of the infrastructure corridor planned for in the Master Plan. It can be brought into use as a modern steelmaking facility without limiting development opportunity and the availability of developable land elsewhere in the STDC area. Indeed, the Master Plan plans for *"Potential Metals Manufacturing Industries"* on the Lackenby Steelmaking Complex, as shown on the Potential Plot Layouts at section 7.03 of the Master Plan [CD/ F2].
- 2.43 The development of an EAF steelmaking facility in this location would not stymie development elsewhere within the STDC area is most likely to be in accordance with the Local Plan, SPD and the STDC Master Plan. There are no obvious reasons why planning permission for such a facility would be withheld to enable steelmaking to restart within the STDC area, in a location that enables the objectives of the SPD to be realised, including the Regeneration Priorities set out in Development Principle STDC1.

2.44 However, the evidence put forward by Messrs Parr, Hancock and Melhuish-Hancock all contend that restarting iron and steelmaking requires most, if not all, of the SSI-IL land.

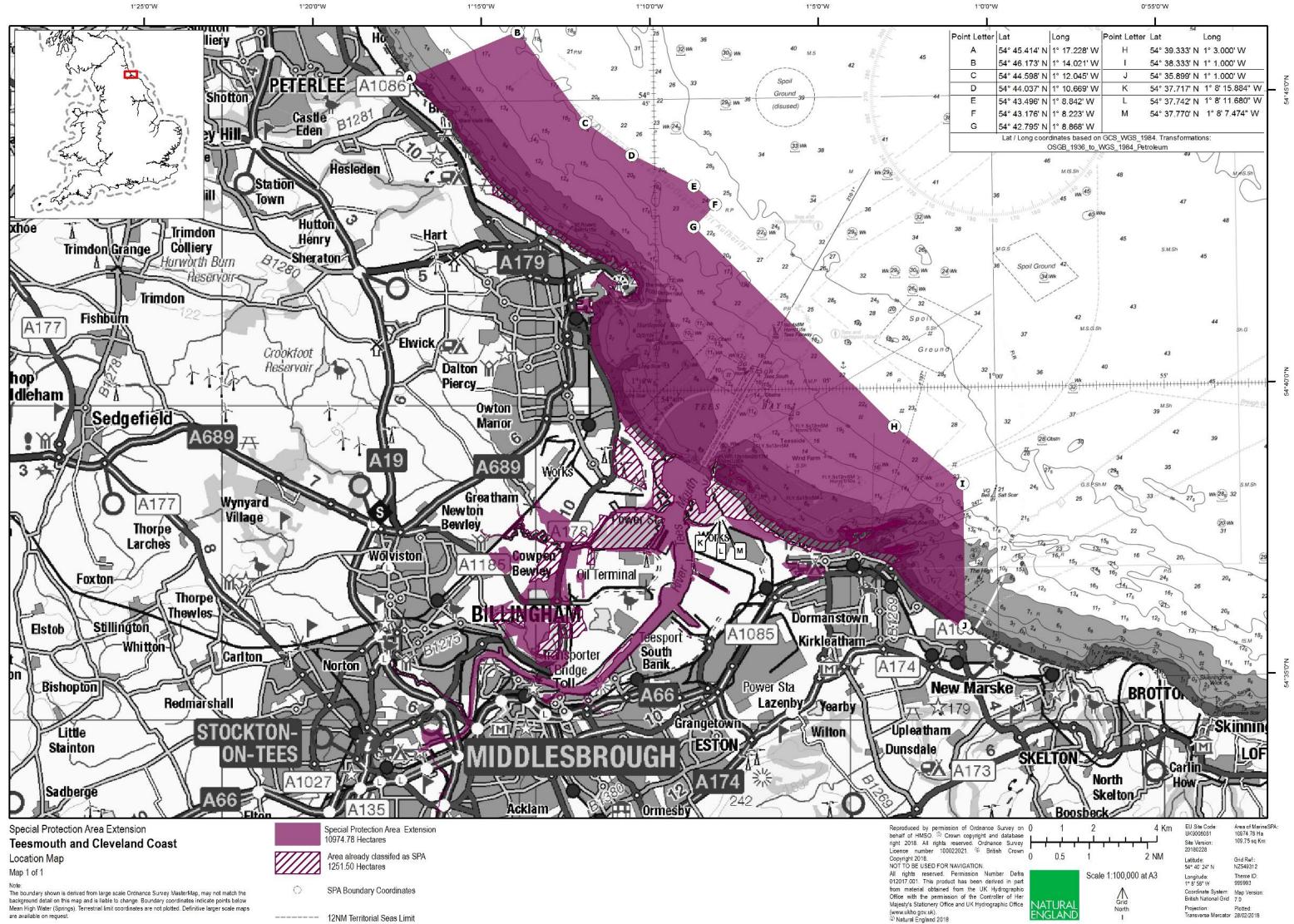
3.0 Rebuttal in respect of Tarmac / ECSP evidence

Interpretation of the NPPF and Planning Practice Guidance

- 3.1 In paragraphs 9 17 of Mr Halley's Proof of Evidence, he refers to the NPPF [CD/C1] as a means of seeking to demonstrate that there is no compelling case in the public interest for the compulsory purchase of the Tarmac / ECSP.
- 3.2 Mr Halley suggests that the NPPF, at Section 17, together with the national Planning Practice Guidance (paragraph 006 Reference ID: 27-006-20140306) safeguards the existing minerals processing and transportation sites at Tarmac / ECSP.
- 3.3 This is not a correct interpretation of either the NPPF or the Practice Guidance. Section 204 of the NPPF starts by explaining that *"Planning policies should*:e) safeguard existing, planned and potential sites for: the bulk transport, handling and processing of minerals"
- 3.4 "Safeguarding" in this regard, is a matter for the local authority to consider at Planmaking stage, not in the development management process when determining planning applications affecting such facilities / uses (unless the Local Plan has safeguarded such facilities / uses through allocations and policies in the Plan.)
- 3.5 It is to be noted that neither the Redcar & Cleveland Local Plan (2018) [CD/D/2], the Tees Valley Joint Minerals and Waste Core Strategy DPD (2011) [CD/D/4] or the Tees Valley Joint Minerals and Waste Policies and Sites DPD (2011) [CD/D/5] allocate the Tarmac / ECSP land as a safeguarded minerals processing / transportation facility.
- 3.6 Instead, Policy ED6 safeguards the wider STDC area for employment uses (ie uses falling within Use Class B1, B2 and B8 refers to the South Tees SPD which, in turn, sets out an objective of creating an exemplar world class industrial business park.

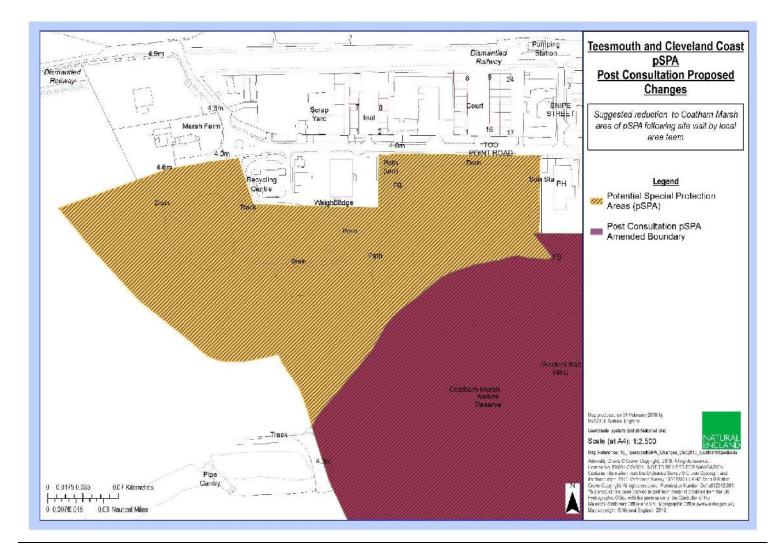
Appendix 1 Drawings

Plan A



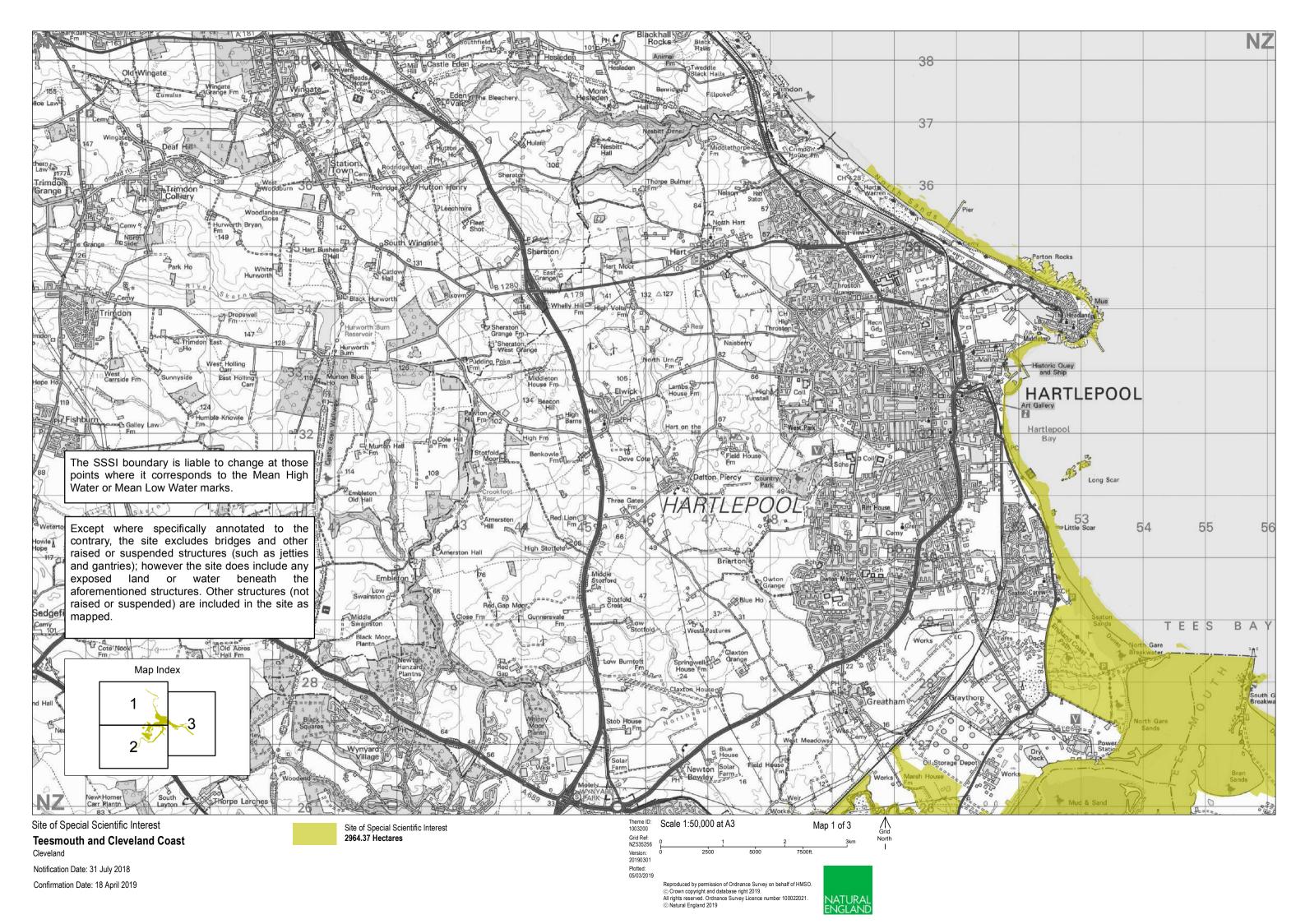
Plan B

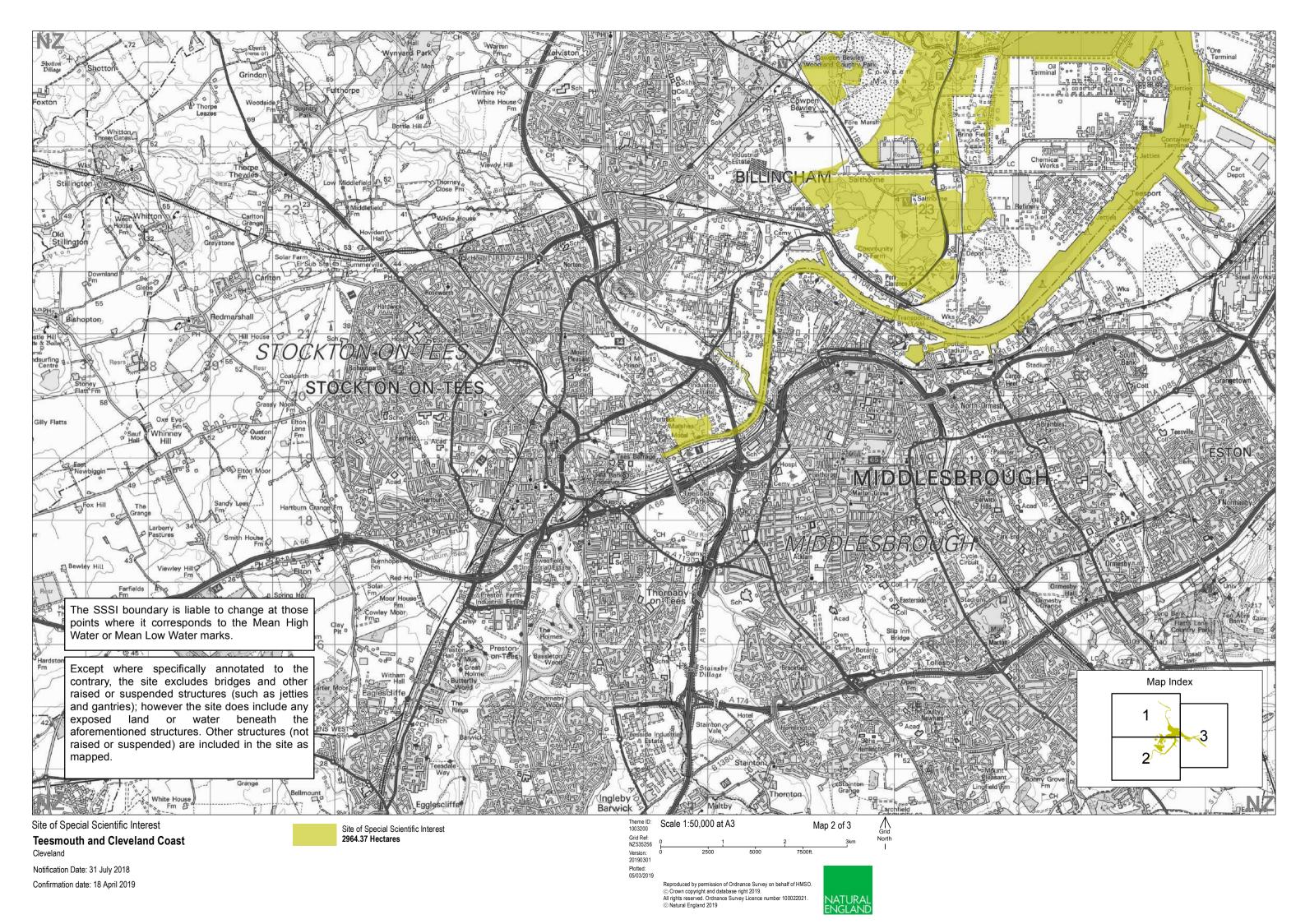
Annex I – Proposed Alternative Boundaries for Teesmouth & Cleveland Coast pSPA/Ramsar site and SSSI

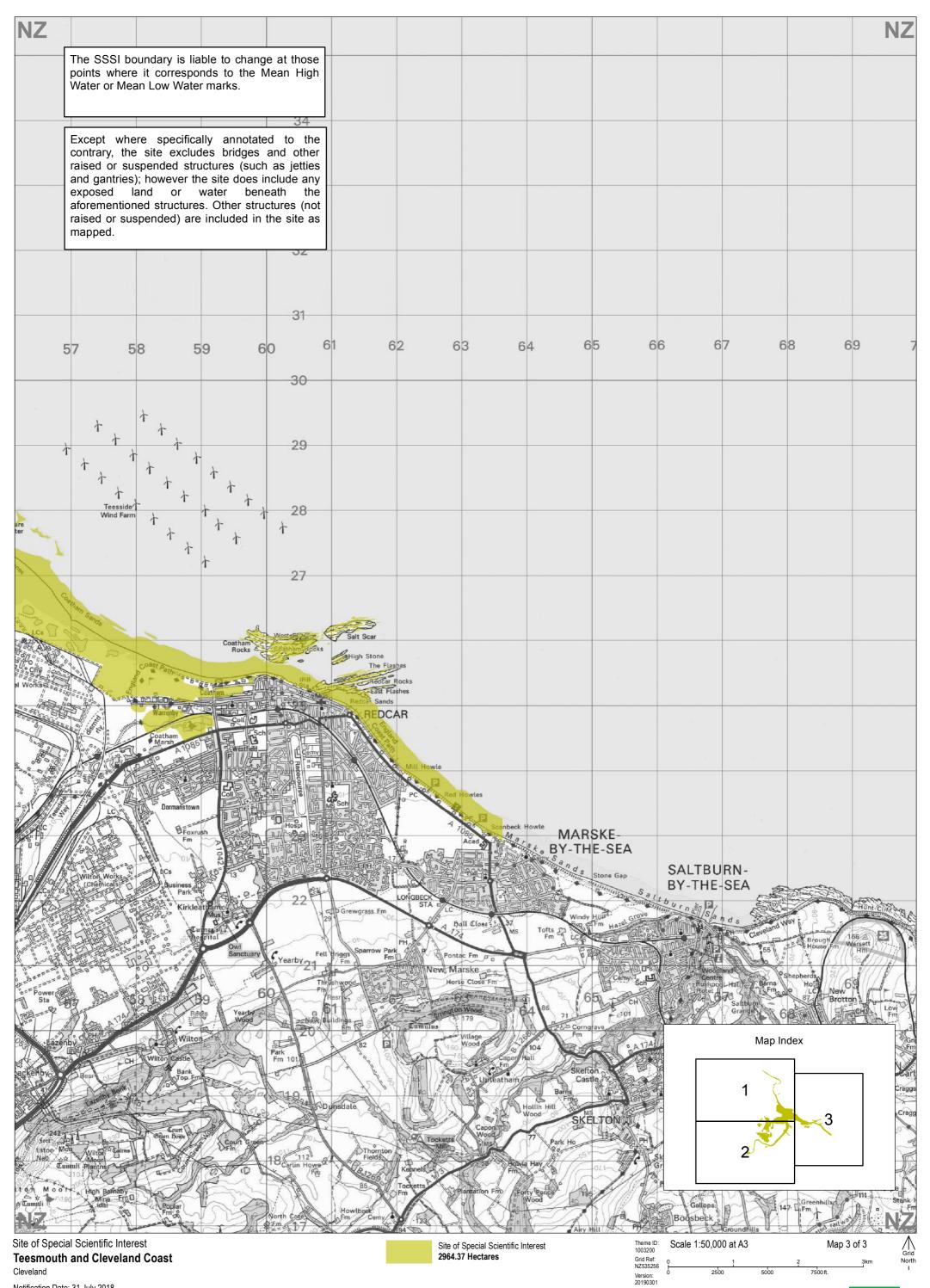


Map 1. Proposed alternative boundary for Teesmouth & Cleveland Coast pSPA and Ramsar site at Warrenby Reedbeds

Plan C







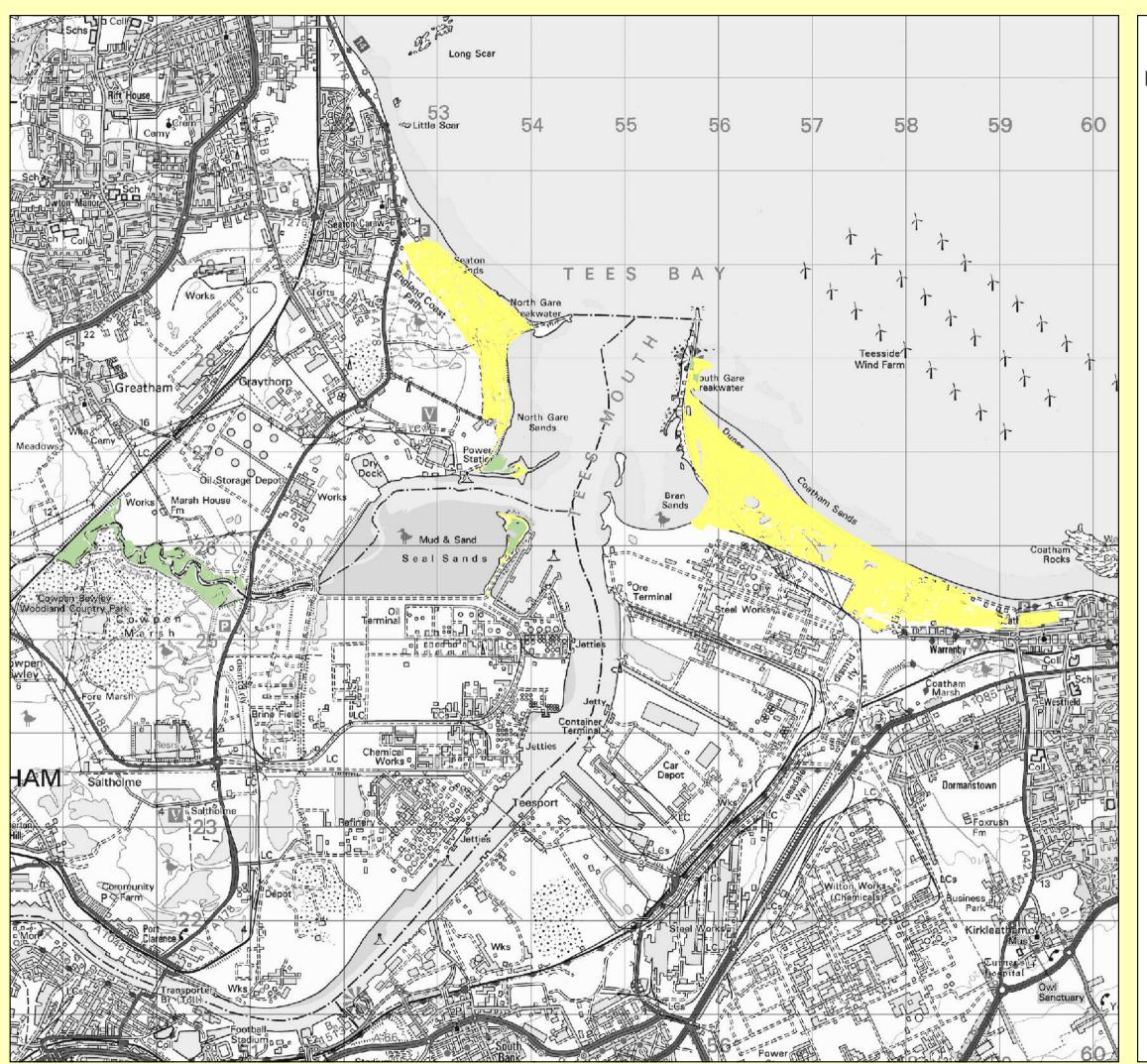
Notification Date: 31 July 2018 Confirmation Date: 18 April 2019

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Plotted: 05/03/2019



Plan D



Distribution of saltmarsh and sand dune habitats within Teesmouth and Cleveland Coast SSSI

Habitat



Sand dune

Saltmarsh

This map includes all stands of vegetation attributed to sand dune and saltmarsh communities by Hedley (2015 & 2017), including those where these form part of a mosaic, except those that are isolated from coastal influence (e.g. behind sea walls).

Sand dune systems support a range of semi-natural vegetation types in addition to those specifically described as 'sand dune' vegetation within the NVC. Therefore this map also categorises stands of semi-natural vegetation that fall within dune systems (as mapped in the Priority Habitat Inventory) as sand dune habitat.

Scale (at A3): 1:40,000



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