

**Localism Act 2011**

**The Acquisition of Land Act 1981**

**Inquiry into:**

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

**Summary Proof of Evidence**

**of**

**Michael A King FRICS**

**On behalf of South Tees Development Corporation**

**January 2020**

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## APPENDICES

See separate document STDC8/3

## **1. INTRODUCTION**

- 1.1 My name is Michael King, a Principal at Avison Young. I head up Avison Young's Compulsory Purchase & Compensation team in the North. My evidence is given on behalf of the South Tees Development Corporation (STDC).
- 1.2 My role involves providing strategic advice on the compulsory purchase process, and negotiating acquisitions and compensation due in advance of and in the event of a confirmed compulsory purchase order (Order).

## **2. SCOPE OF EVIDENCE**

- 2.1 My evidence covers:
  - (a) a brief description of land included within the Order (Order Land);
  - (b) a summary of the need for the Order Land;
  - (c) consideration of the justification for the use of compulsory purchase powers, with reference to the CPO Guidance, and valuation inputs provided by my firm in support of STDC's case;
  - (d) a summary of engagement and negotiations with affected landowners;
  - (e) a summary of the objections and the response of the Acquiring Authority to these, including the current position on negotiations; and
  - (f) my conclusions on the need for the Order.

## **3. THE LAND INCLUDED IN THE ORDER**

### **The Relationship between the Order and the Scheme**

- 3.1 The Order has been made to assemble the land and rights to secure the regeneration of the area of land under STDC's auspices ("the STDC area").
- 3.2 STDC prepared a Master Plan (CD/F/1) for the STDC area in 2017. The South Tees Area SPD (SPD) was adopted by Redcar and Cleveland Borough Council in May 2018 (CD/D/3) and adopts the Master Plan (CD/F/1) into the regulatory planning framework for the borough. The Master Plan was updated in November 2019 (CD/F/2). The Proof of Evidence of John McNicholas (STDC2/2) describes the Master Plan (CD/F/2) and hence "Scheme", as does the Proof of Evidence of Anthony Greally (STDC4/2).

## **4. THE JUSTIFICATION FOR THE USE OF COMPULSORY PURCHASE POWERS**

### **The Need for the Order**

- 4.1 The need for the Scheme and therefore justification for the Order is set out within the evidence of STDC's witness team.
- 4.2 There are 173 plots in Table 1 of the Order. Some have multiple interests. When including all parties within the Order, there are a total of approximately 644 interests and approximately 114 unknown owners. Approximately 324 interests remain to be acquired or require Asset Protection Agreements, or agreements in principle. This number excludes those in advance negotiations, along with the 114 unknown owner interests.
- 4.3 STDC continue to make significant efforts to acquire the necessary interests by agreement. However, it is clear that in order to deliver the Scheme, including acquisition of unknown ownerships (for which compulsory purchase is the only option), the Order is necessary over all Order Lands.

### **The CPO Guidance**

- 4.4 STDC has taken full account of the CPO Guidance in making the Order. It has sought to acquire all of the land and interests required by agreement. Interference with human rights has been taken into account. STDC has demonstrated there are no planning impediments and a compelling case in the public interest. There is clarity about the purposes for which the land is to be compulsorily acquired.
- 4.5 STDC has made the Order to secure the outstanding interests and new rights required to enable the implementation of the Scheme.

## **5. NEGOTIATIONS WITH AFFECTED PARTIES**

- 5.1 My firm and STDC have been engaged in discussions with affected parties. My evidence demonstrates the considerable efforts undertaken to comply with the CPO Guidance in terms of contact and negotiations with all affected parties.
- 5.2 A number of affected parties are not required to be displaced under the Order. This doesn't compromise STDC's delivery of the Scheme. In these cases, STDC has sought to agree Asset Protection Agreements (APAs).
- 5.3 All parties continue to be engaged where willing to do so. Regular communication has been, and will continue to be, sent to non-responders, seeking contact to negotiate and/or deal with any other related issues.
- 5.4 Engagement will continue after the Public Inquiry. In this regard, I consider STDC's conduct is in full compliance with the CPO Guidance.

## **6. NEGOTIATIONS CONCLUDED AND/OR INTERESTS ACQUIRED**

- 6.1 STDC has been successful in acquiring some of the land interests and rights required for the Scheme by agreement, and in agreeing APAs where relevant, although a number of interests remain to be acquired. There are 173 plots within Table 1 of the Schedule to the Order, and within these there are approximately 644 plot interests (counting each interest in each plot).
- 6.2 The position at the date of preparation of this Proof of Evidence is as follows in relation to Table 1:
1. There are approximately 124 plot interests within STDC's ownership or with acquisitions agreed subject to contract or in advanced negotiations;
  2. There are approximately 82 plot interests with APAs or in advanced negotiations regarding an APA.
  3. There are approximately 114 plot interests in unknown ownership.
- 6.3 Excluding the above unknown ownerships, APA interests and those in advanced negotiations, there are therefore approximately 324 plot interests still to be acquired, either by agreement or through the exercise of compulsory purchase powers. These 324 plot interests equate to approximately 21 affected parties, on the basis that there are a number of affected parties who have interests in several plots.

## **7. RESPONSE TO GROUNDS OF OBJECTION AND NEGOTIATIONS WITH OBJECTORS**

- 7.1 STDC was informed by the Secretary of State that 20 objections were received in respect of the Order. Due to an administrative error, 2 additional objections were received by the Secretary of State but not provided to STDC until 17 January 2020 (namely (1) Air Products PLC and Air Products Renewable Energy Limited and (2) Millennium EFW Limited). Because these objections were received so late, I have had insufficient time to respond further to them in my Proof. Instead a separate response will be provided by STDC as soon as possible.
- 7.2 Based on the 20 objections we received, at the time of writing, there are 13 objectors with agreements in principle reached to withdraw their objection once legal documentation is finalised, or at an advanced stage of negotiations on the basis of an agreement that their objection will be withdrawn. There are 7 remaining objectors to the Order, with 3 of these being essentially one party, i.e. Royal Bank of Scotland, Siam Commercial Bank, TISCO and Krung Thai and SSI Thailand (collectively known as "Thai Banks"). Therefore there are effectively 5 remaining objections to the Order.
- 7.3 I am of the opinion that each of the objections has been addressed in the responses in my Proof at Appendix 2 or addressed by the other witnesses. In my opinion, none of the objections provide a reason not to confirm the Order.

## **8. CONCLUSIONS**

- 8.1 In my opinion, the Order is an essential tool to the delivery of STDC's objectives for the STDC area.
- 8.2 I consider STDC's engagement with all affected parties meets its obligations under the CPO Guidance.
- 8.3 I consider that without the Order it is evident that there is no reasonable prospect that the required land could be assembled within an acceptable timescale and in order to bring about the required regeneration to achieve the objectives of STDC in delivering the Scheme. The Order has been made as a last resort in the event that all interests cannot be acquired by agreement, in accordance with the CPO Guidance. Given there are a number of unknown interests within the Order, the compulsory acquisition of these plots is the only option available to STDC.
- 8.4 STDC acknowledges that compulsory purchase interferes with the human rights of those holding a land interest, and compulsory purchase powers should only be exercised where there is a compelling case in the public interest. The Scheme will ultimately grow the Tees Valley economy which is in the public interest. If the land were to be developed in a disparate and piecemeal fashion, it would place significant limitations on the viability, commercial attractiveness and effectiveness of development in the area. As a consequence, I consider piecemeal development unlikely. Therefore, there is a compelling case in the public interest to justify such interference.
- 8.5 Anthony Greally's evidence (STDC4/2) explores human rights in more detail as does David Allison's evidence (STDC1/2). STDC considers that the Order will strike a fair balance between the public interest in the implementation of the Scheme, of which the Order is a fundamental part, and those private rights affected by the Order. I am satisfied that all of the land included within the Order is essential for the delivery of the Scheme, and there is a clear proposal for the land as evidenced within Anthony Greally's evidence (STDC4/2). Gary MacDonald in his Proof (STDC3/2) has demonstrated that funding is committed to the Scheme and Anthony Greally in his Proof (STDC4/2) concludes that planning will not be an impediment to the Scheme.
- 8.6 I consider that in light of the evidence set out above, and by the other witnesses on behalf of STDC, there is a compelling case in the public interest for confirmation of the Order, and that if confirmed, they would strike an appropriate balance between public and private interests.

Michael A King FRICS

Dated 20 January 2020