

From: Jane Armitage <JArmitage@jacksons-law.com>
Sent: 11 February 2020 08:29
To: Joanna Vincent <Joanna.Vincent@gateleyhamer.com>; joannavincent@personassociates.co.uk <joannavincent@personassociates.co.uk>
Cc: Toni.Weston@gowlingwlg.com <Toni.Weston@gowlingwlg.com>
Subject: Objection to the South Tees Development Corporation CPO 2019 ("The CPO")

Dear Ms Vincent

I am instructed by PD Teesport Limited and attach a letter in relation to the South Tees Development Corporation CPO 2019 sent on behalf of my clients objecting to the CPO.

Please note that my client had hoped that it would have reached agreement with South Tees Development Corporation by now to save it having to object to the CPO, but on the basis that my clients have not received notice of the CPO nor completed or agreed in final form documentation to cover the protection of its rights, it feels that it needs to submit this letter at this stage.

I would be grateful if you would acknowledge safe receipt.

Regards

Jane Armitage
Partner
Commercial Property Team
17 Falcon Court
Stockton on Tees
TS18 3TU

Tel: 01642 356500
DDI: 01642 873713
Email: JArmitage@jacksons-law.com
Web: www.jacksons-law.com

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TEESSIDE OFFICE:

17 Falcon Court, Preston Farm Industrial Estate
Stockton on Tees, TS18 3TU.

T: 01642 356500 F: 01642 356501 E: info@jacksons-law.com

DX: 715800 Stockton on Tees 8

Secretary of State for Housing, Communities and Local
Government

Planning Casework Unit

5 St Phillips Place

Colmore Row

Birmingham

B3 2PW

Our ref: JA/10.1111/AS

Your ref:

Direct Dial: 01642 873713

Direct Email: jarmitage@jacksons-law.com

We do not accept service by email

By e-mail to Joanna.vincent@gateleyhamer.com
joannavincent@personassociates.co.uk
Toni.Weston@gowlingwlg.com

11 February 2020

Dear Sirs,

OBJECTION TO THE SOUTH TEES DEVELOPMENT CORPORATION
CPO 2019 ("The CPO")

We are instructed by PD Teesport Limited ("PD Teesport") and write on their behalf to object to the CPO as follows:

Background to PD Teesport and Property Interests

PD Teesport Limited is the Statutory Harbour Authority for the Port of Tees and Hartlepool, and part of Brookfield Infrastructure Partners L.P., one of the world's largest owners and operators of critical and diverse global infrastructure networks, with 66 billion dollars' worth of assets under management.

In addition to its role as Statutory Harbour Authority, PD Teesport has substantial freehold land, property and business interests in the South Tees area and beyond including the 720 acre Teesport Estate, 130 acre Teesport Commerce Park, the operational Breakwater at South Gare and the Redcar Bulk Terminal. The location of these landholdings is shown on the attached map.

In the last 10 years PD Teesport has invested over £500m in the area to underpin growth and development including:

NEWCASTLE OFFICE:

Central Square, Forth Street, Newcastle upon Tyne, NE1 3PJ.

T: 0191 2322574 F: 0191 2313921 E: info@jacksons-law.com

DX: 720200 Newcastle upon Tyne 19

jacksons-law.com/business    

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1. Developing and upgrading capacity
2. Number 1 quay redevelopment to one of the UK's deepest general purpose quays
3. Quayside rail terminal
4. Cross platform NAVIS N4 implementation
5. Gate automation
6. Transport management systems

PD Teesport has also been instrumental in securing major new inward investment and job creation including attracting £130m investment by Tesco in developing its distribution centre at Teesport and, £650m investment in the MGT Power Station Project which is currently under construction.

It has also recently agreed documentation on other projects within the South Tees area which should see several hundred million pounds worth of new international investment within the local area.

Critical to the successful operation by our client of one the largest Commercial Ports in the UK is holding its various assets and retaining access thereto.

The Proposed Order

Our clients are in receipt of a letter dated Thursday 11th April 2019 from Ben Houchen, Chair of the Board, South Tees Development Corporation (STDC), a copy of which is also attached. This correspondence stated

"STDC will shortly be making a compulsory purchase order for the whole of the land within the scheme area, this will require the service of formal documentation on all potentially affected parties including yourself.

The purpose of this letter is therefore to let you know that the formal notice will be served upon you shortly but to reassure you that whilst this is a necessary part of the legal process that we are required to follow, STDC do not intend to interfere with your continued occupation or to indirectly affect your day to day operations".

Both before and after the aforementioned letter we are instructed our client had received various assurances from representatives of the STDC that none of its interests would be acquired or extinguished by way of the proposed CPO. The proposed Order however conflicts with these assurances. To date whilst our client has sought to document matters with the STDC to protect the various rights and interests which the Order would otherwise have a detrimental impact on, such documentation has still to be completed. Our client advises that it has no record of receiving any formal notices of the proposed CPO.

Our client is supportive of wider redevelopment and regeneration in the geographical area comprised within the proposed CPO plan and would see this as complementary to the considerable inward investment our client has secured and continues to secure within the South Tees area. Our client welcomes the opportunity of a partnership and collaborative approach to delivery of this regeneration.

Paragraph 3.20 of the Statement of Case of the Acquiring Authority states:

"There are a number of unregistered parcels of land that are in unknown ownership. STDC has endeavoured through diligent enquiries to identify the owners of these parcels without success. The parcels have therefore been included in the Order on the basis that the answers are unknown".

One of these plots of "unknown ownership", plot 173 on the CPO plans for example, is within the ownership of our client as is the land immediately adjoining that plot which is excluded from the Order. STDC was aware that our client owned the adjoining excluded area, but did not seek to establish whether our client may have been the owner of plot 173.

Our client is led to believe therefore that STDC does not appear to have made diligent enquiries to establish the ownership of parcels of land nor more importantly the implications of the Order on other interests including access arrangements, wayleaves, easements and other rights.

Examples of interests which our client holds and which would be affected by the Order include, but are not limited to the following:-

South Gare

South Gare as indicated on the attached map is an Operational Breakwater designed to protect the River Tees and businesses, land and property along the river from tidal damage. South Gare is also the home to navigational aids to shipping, whilst our client has a number of agreements in place with its tenants and licencees. As Statutory Harbour Authority our client maintains the Breakwater at great expense. Land access to the Breakwater is obtained via South Gare Road, which is included in the CPO as part of plots 4, 5, 6, 7, 8, 9 and 10.

The impact of the Order would be to extinguish access to and from South Gare for our client and its tenants and licencees. STDC does not appear to have been aware of this at the time of making its proposed Order.

Access to and from the Teesport Estate and Bran Sands

As well as being the main operational hub for the River Tees, Teesport is the home of a number of major employers including our client.

There is only one area of adopted highway which enables access to and from Teesport as well as the adjoining Bran Sands where the Northumbrian Water Sewage Treatment Works is located.

In the event of an incident restricting or preventing access along Tees Dock Road, alternative access arrangements prevent the closure of the Teesport and Bran Sands businesses. The Order does not consider this and would prevent this alternative access, whilst part of Tees Dock Road itself is subject to the CPO.

Access to Redcar Bulk Terminal

As freehold owner of the Redcar Bulk Terminal, our client has access rights to and from the Terminal. Whilst the Redcar Bulk Terminal is now excluded from the proposed Order, the access rights are not.

Procedural Matters

Contrary to STDC indicating that it has made diligent enquiries on land ownership, our client is led to believe that is not the case. The proposed Order does not consider the full extent of the interests of our client which would be affected by the Order and the implications thereof.

Our client has made STDC aware of this. It is essential that our client's interests are excluded from the operation of the CPO, including interests in respect of rights of access, services and media for our client and its tenants, grantees and licencees. The February 2018 Guidance on Compulsory purchase process and The Crichel Down Rules provide that the qualifying persons who must be notified of a compulsory purchase order include an owner, an occupier, a tenant (whatever the period of the tenancy), a person to whom the acquiring authority would be required to give notice to treat if it was proceeding under section 5(1) of the Compulsory Purchase Act 1965, and a person the acquiring authority thinks is likely to be entitled to make a claim for compensation under section 10 of the 1965 act (compensation for injurious affection).

Our client has been requesting from STDC evidence of the service of notices upon our client as a qualifying person. This has not been received.

The object of an Urban Development Corporation is of securing the regeneration of the relevant urban development area with Section 136(2) of the act indicating that regeneration can be achieved particularly by actions including:

- bringing land and buildings into effective use
- encouraging the development of existing and new industry and commerce
- creating an attractive environment

Our client and its shareholder have a proven track record in delivering these very same objectives through investing its own capital and attracting other private sector investment without any significant public sector financial support. We feel this is exactly the type of private sector business STDC should be seeking to support.

The Guidance on Compulsory Purchase provides there should be a compelling case in the public interest. The implications on our client on what is currently in the proposed Order would not present such a case as it would create major problems for the operation of the Port of Tees and Hartlepool. Our client wishes to protect the operations of the Port and its customers and businesses, and encourage new employment based activities into the area in support of what it continues to achieve. STDC's solicitors have indicated our client's interests are protected because our client would receive compensation for any extinguished rights. Compensation is not a satisfactory remedy for our client as detailed above and would not be in the best interests of our client or the South Tees area.

Our client is continuing to negotiate with STDC and hopes to conclude documentation protecting its interests. Our client reserves the right to attend the Inquiry to confirm its objections if the documentation is not concluded.

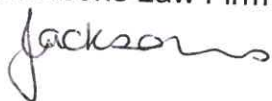
Conclusion

Our client makes the following proposal:-

- 1) Any Order, should it be determined that one is to be confirmed, should specifically exclude any property interests held by our client.

- 2) In so far as any CPO is confirmed and the acquiring Authority has the ability to grant such rights, our client must have protected rights of access between the Public Highway and South Gare, The Teesport Estate, and Redcar Bulk Terminal. In respect of the Teesport Estate the rights of access will be for emergency access and will be over and above the existing rights on the Public Highway over Tees Dock Road which will be retained. The emergency access will be no less commodious than that which is presently used
- 3) All rights, services and media leading to and from my clients retained land which is in, under or over the area which is subject to the CPO will be maintained at all times
- 4) Our clients reasonable professional costs in negotiating and securing all of the above will be paid in full.

Yours faithfully
Jacksons Law Firm



Thursday 11 April 2019

Frans Calje
PD Teesport Limited
17-27 Queens Square
Middlesbrough
TS2 1AH

Dear Frans,

The South Tees Development Corporation (South Tees, Redcar) Compulsory Purchase Order 2018

I am writing in connection with the South Tees Development Corporation "STDC" South Tees, Redcar regeneration scheme. You may already be aware of the scheme from recent press articles and TV coverage and you may have had previous correspondence and/or contact from STDC.

The STDC has ambitious plans and has developed a Master Plan which envisages the creation of a world-class industrial park on the River Tees. The plan is aimed at enabling industrial investment that will create approximately 20,000 new jobs and contribute £1 billion per annum into the UK economy.

Further details of the scheme can be found at www.southteesdc.com/masterplan/

The STDC has advanced negotiations with the major landowners required to deliver the scheme and agreed significant land purchases but there are further land and property interests that are needed to allow the scheme to go ahead. Whilst this does not include your freehold or leasehold property it includes land / property owned by others over which you may have rights.

STDC will shortly be making a compulsory purchase order for the whole of the land within the scheme area, this will require the service of formal documentation on all potentially affected parties including yourself.

The purpose of this letter is therefore to let you know that the formal notice will be served upon you shortly but to reassure you that whilst this is a necessary part of the legal process that we are required to follow, STDC do not intend to interfere with your continued occupation or to materially affect your day to day operations.

The compulsory purchase process is complex and STDC are available to answer any specific queries you have and to work with you throughout the process to address concerns which may arise.

In this respect if you have any queries at any time please do not hesitate to contact us using the details below:

Darren Edmends, Project Manager: 01642 408033 Darren.Edmends@southteesdc.com

Neil Thomas, Land & Property: 01642 408057 Neil.Thomas@southteesdc.com

One of our project team will be happy to discuss our proposals with you.

I look forward to hearing from you.



Ben Houchen
Chair of the Board
South Tees Development Corporation

THE PORTS OF TEESPORT & HARTLEPOOL

PD PORTS

