



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

LOCALISM ACT 2011

AND

THE ACQUISITION OF LAND ACT 1981

STATEMENT OF REASONS

1 INTRODUCTION

- 1.1 This document is the Statement of Reasons of South Tees Development Corporation ("STDC") in support of the making of The South Tees Development Corporation (Land at the former Redcar Steel Works, Redcar) Compulsory Purchase Order 2019 ("the Order").
- 1.2 The Order was made by STDC pursuant to resolutions of STDC's board in July 2018. STDC, with the consent of Tees Valley Combined Authority ("TVCA"), intends to submit the Order to the Secretary of State for Housing, Communities and Local Government ("the Secretary of State") for confirmation.
- 1.3 The Order has been made pursuant to section 207 of the Localism Act 2011 ("the 2011 Act") in order to acquire land for the purposes of carrying out STDC's function, namely to promote the economic growth and commercial development of Tees Valley by converting assets in the South Tees area into opportunities for business investment and economic growth. The STDC area covers approximately 4,500 acres of land to the south of the River Tees in the Borough Redcar and Cleveland ("STDC Area"). It includes the former Sahaviriya Steel Industries ("SSI") steelworks, as well as other industrial assets. It also includes the deep-water port of Teesport, England's largest exporting port.
- 1.4 The land the subject of the Order ("the Order Land") lies within the STDC Area and comprises approximately 1,752 acres of land comprising the former Redcar Steel Works, Redcar, which is bounded by private access road known as Breakwater South Gare to the north, the Trunk Road (A1085) to the east, Tees Dock Road and South Bank to the south and the River Tees and the port to the West.
- 1.5 One of STDC's primary focuses is to contribute to the physical regeneration, social regeneration and environmental regeneration of its area by bringing back into use the Order Land. It is anticipated that securing the comprehensive regeneration of this land will drive forward growth and investment, creating jobs and supporting local communities which have suffered hardship following the closure of the SSI steelworks in 2015. STDC has prepared a Master Plan which sets out its vision for the comprehensive regeneration of the STDC Area which will create up to 20,000 direct and indirect jobs. The focus will be on higher skilled sectors and occupations, centred on manufacturing, innovation and advanced technologies and those industries best able to deliver sustained economic prosperity for the Tees Valley.
- 1.6 Securing the comprehensive regeneration of the STDC Area, including the Order Land, is supported in national and local planning policy. The Redcar & Cleveland Borough Council Local Plan ("the Local Plan") and the South Tees Area Supplementary Planning Document ("the SPD"), both adopted in May 2018, form the planning framework under which the STDC Area will be brought back into beneficial use. STDC considers that the current fragmented ownership of the Order Land acts as a barrier to the planned regeneration of the STDC Area as a whole. The SPD confirms that Redcar & Cleveland Borough Council ("the Council") will, in partnership with STDC, promote a comprehensive approach to development within the STDC Area.
- 1.7 STDC has endeavoured to secure the acquisition of all interests in the Order Land by agreement. Unfortunately, this process has been unsuccessful and the main outstanding interests in the Order Land to be acquired are detailed in section 3 of this statement. STDC continues to seek to acquire all outstanding land interests by agreement. At the same time, STDC has resolved to proceed with making the Order to acquire all outstanding land interests by compulsory acquisition should private treaty negotiations fail.
- 1.8 STDC is firmly of the view that there is a compelling case in the public interest for it using its powers of compulsory acquisition to facilitate the regeneration of the Order Land.
- 1.9 This statement has been prepared in accordance with the 'Guidance on Compulsory purchase process and The Crichel Down Rules' (February 2018) ("the Guidance").

2 SOUTH TEES DEVELOPMENT CORPORATION

- 2.1 STDC is the first Mayoral Development Corporation to be formed outside of London. It was created by the then Secretary of State for Communities and Local Government pursuant to section 198 of the Localism Act 2011 in August 2017 at the request of TVCA and was established by The South Tees Development Corporation (Establishment) Order 2017 (SI2017/718). STDC's objective is to secure the regeneration of the STDC Area, through delivery of the Master Plan (as explained in section 4); focusing on the promotion of the long term sustainable economic prosperity and commercial development of Tees Valley, by converting assets in the STDC Area into opportunities for business investment and economic growth.
- 2.2 STDC may do anything it considers appropriate for the purposes of its object or for purposes incidental to those purposes (section 201 of the 2011 Act).
- 2.3 Section 206 of the 2011 Act states that STDC may carry out or facilitate:
- regeneration or development land;
 - the more effective use of land;
 - provision of buildings or other land;
 - the acquisition, holding, improvement, management, reclaiming, repair or disposal of buildings, other land, plant, machinery;
 - the carrying out of building and other operations (including converting or demolishing buildings);
 - the creation of an attractive environment.
- 2.4 The compulsory purchase powers of STDC are set out in section 207 of the 2011 Act which provides that STDC may 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.
- 2.5 Section 207(4) of the 2011 Act provides that this acquisition power includes the power to acquire new rights over land.
- 2.6 The process for compulsory purchase of land is set out in the Acquisition of Land Act 1981 (as amended by the Planning and Compulsory Purchase Act 2004). The Guidance provides guidance to acquiring authorities in England making compulsory purchase orders to which the 1981 Act (as amended) applies.

3 THE ORDER LAND

- 3.1 The STDC Area of which the Order Land forms part is a once in a lifetime development opportunity for South Tees and the Tees Valley. Being at the mouth of the River Tees, the area benefits from river access and access to the major port facilities of Teesport. The area includes major operators such as PD Ports, Redcar Bulk Terminal, British Steel, BOC and Northumbrian Water, and it also benefits from the adjacent major industrial complex of Wilton International, operated by Sembcorp. The STDC Area could not be better located to capitalise on the unique selling points of excellent sea transport connectivity and the deepest port on the eastern coast of mainland UK. This is a major asset to attract international businesses and realise an international-scale industrial centre of excellence on the River Tees.
- 3.2 The STDC Area has excellent road connectivity with the A66 East-West route, easy access to the A19 North-South route, both of which provide access to the M62 and A1(M) strategic routes. The area also benefits from onsite national rail connectivity for passengers and freight, with direct rail links to the East Coast main line and Trans-Pennine routes providing access to all parts of the UK. The rail line also connects the STDC Area to the national and European gateway at Durham Tees Valley Airport, supporting the connectivity of Tees Valley to global markets.
- 3.3 The STDC Area has some of the lowest operating costs in the UK, with rents and rates much lower than most major cities, and significantly lower than those in London and Aberdeen. The area is also home to a large, experienced and highly skilled workforce, with the lowest staff turnover of any UK region, guaranteeing companies investing in the STDC Area access to a secure, highly efficient workforce.

Description of the Order Land

- 3.4 The Order Land comprises of approximately 1752 acres of land located in and in relatively close proximity to Redcar. It is bounded by the River Tees, the A1085 Trunk Road and the North Sea. The land comprises part of the wider STDC Area which has been allocated in an up-to-date Local Plan for Use Class B employment development (including specialist uses such as heavy processing industries and port logistics) and is required in order to deliver comprehensive regeneration in accordance with the South Tees Area SPD ("the SPD") and the Master Plan.
- 3.5 STDC has reviewed all of the land within its constitutional boundary to ascertain the land interests required to practically deliver the comprehensive regeneration of the STDC Area having regard to the need for the land to support the comprehensive redevelopment and the likelihood of strategic, complementary delivery by third parties. STDC is accordingly satisfied that all of the Order Land is required for regeneration.
- 3.6 The Order Land is more specifically described in the schedule of interests accompanying the Order and is identified shaded pink and hatched pink on the map accompanying the Order ("the Order Map"). It generally comprises of the following land and property:
- Private access road known as Breakwater South Gare;
 - Dismantled railway and gas pipeline known as Breagh pipeline;
 - Land, buildings and dismantled railway forming part of former tip CLE31 and teardrop site;
 - Watercourses known as The Fleet, The Mill Race and Dabholm Beck;
 - Land and building known as Steel House, Trunk Road, together with surrounding land;

- Land, buildings, roads, tracks and electricity substations forming part of Teesside Works, Redcar;
- Land and weighbridge known as Redcar Gate Weighbridge;
- Land and hot metal railway lines south of Redcar British Steel Railway Station;
- Land to the north-west of Redcar British Steel Railway Station;
- Land, dismantled railway, pipe gantry and lighting tower to the west of Marsh Farm House;
- Land, pipe gantry and hot metal railway to the west of former tip CLE31 and east of the teardrop site;
- Land, buildings, railway, structures, gas holder and electricity substation formerly known as Redcar Ironworks Site;
- Land and buildings formerly known as Bi-product Handling to the east of River Tees and north of Northumbrian Sewage Works;
- Land and hot metal railway to the north and west of Lord McGowan Bridge;
- Land, road and railway to the south-east of the watercourse known as Dabholm Beck;
- Land, road, railway and buildings to the north of Teesside Works, Lackenby;
- Land, buildings and structures known as the Iron Granulation Plant, cooling tower, crane, to the west of Trunk Road (A1085);
- Land and building known as the Locomotive Repair Shed to the west of Trunk Road (A1085);
- Falck Medical Centre and car park;
- Land and hot metal railway to the west of Trunk Road (A1085);
- Land and weighbridge known as Lackenby Weighbridge No. 4;
- Land, buildings and structures forming part of Teesside Works, Lackenby;
- Land and premises known as Coil Plate Mill – Material Storage;
- Land and structures comprising Tees Dock Road;
- Commercial premises and pipelines adjoining Lee Road and Pochin Road;
- Roadway and structures to the north-west of the A66 and A1053;
- Land, car park and building north of Lee Road and Pochin Road;
- Access road and pipeline north of Stapylton Court;
- Buildings and private road to the west of Stapylton Court;
- Land and structures comprising Grangetown Station Road;

- Land, railway line and highway to the north, north-west and south of Grangetown Station Road;
- Land to the rear of Britannia House and Evergreen House, Eston Road;
- Land and structures to the south of Lackenby Channel;
- Land, buildings, weighbridge and structures east of Smiths Dock Road;
- Land, pipelines and slag heaps at Teesside Works;
- Land, structures and control cabin north-east of Holme Beck Bridge;
- Land and structures formerly known as South Bank Coke Ovens;
- Land, slag heap, quarry works and settling pond at Teesside Works;
- Shingle beach at South Bank Wharf.

3.7 The Order Land also makes provision for the following new rights to be acquired over land shown shaded and hatched blue on the Order Map:

- To carry out works to maintain/upgrade/renew/replace/remove existing bridges, gantries and structures;
- To carry out works to maintain/upgrade/renew/replace/remove existing private railway;
- To carry out works to maintain or renew an existing underpass;
- To carry out works to provide new bridges, gantries and structures;
- To carry out works to land including treatment of invasive plant species, regrading, resurfacing and landscaping works, site investigations, inspections and surveys;
- To carry out works to service media including the right to pass services through the service media;
- To carry out building works on adjoining land;
- To enter onto land to inspect and maintain bridges, gantries, structures, works and service media;
- To pass and repass on foot or with vehicles for all purposes in connection with the regeneration scheme;
- To oversail cranes.

Land Ownership

3.8 STDC has, for some time, sought to acquire as many interests in the Order Land as possible by private agreement and has successfully acquired approximately 1,400 acres of land within the STDC Area prior to making the Order. STDC will, in tandem with securing confirmation of the Order, continue to negotiate with the owners of interests in the above land and property in order to bring forward so far as possible site assembly by private agreement.

3.9 The outstanding land and property interests can be grouped as follows:

Sahaviriya Steel Industries (SSI) Land

3.10 The SSI Steelworks site comprises freehold interests in plots 1 - 3, 20, 33, 37, 44, 45, 51, 66 - 67, 69 - 71, 78, 81, 107, 145, 157 and 166 and the leasehold interests in plots 80, 146, 148, 150, 151, 154, 158 and 159 as shown on the Order Map. Part is leased to other parties.

3.11 The former iron and steel making land and assets comprises a number of buildings, plant, and associated infrastructure that contains significant quantities of hazardous materials. As such, the land is designated as a top tier hazardous site under the Control of Major Accident Hazards Regulations ("COMAH") and remains a significant management liability.

3.12 In October 2015, SSI went into liquidation and iron and steel production on the land ceased. The Official Receiver ("OR") was appointed to manage the SSI assets and landholdings.

3.13 The Royal Bank of Scotland Plc ("RBS") has a charge over the SSI land. STDC has been informed that the benefit of the charge is in favour of three Thai banks – Siam Commercial Bank, TISCO and Krung Thai ("the Thai Banks").

3.14 On 12 October 2016, the South Tees Site Company Limited ("STSC"), a company established and wholly owned by Government, was formed to manage and keep safe the SSI land ("Keep Safe"). A management agreement signed by STSC and the OR allowed the OR, from 1 December 2016, to cease site management. Under the terms of that agreement, the Government funds the Keep Safe costs which amount to approximately £44m to date and around £16.5m per annum going forward until a permanent solution is found for the SSI land.

3.15 The OR has been advised that it cannot sell the SSI land without the agreement of the RBS/Thai Banks, which has not been forthcoming. The RBS/Thai Banks could, if they wished, seek to sell the SSI land through exercising their power of sale pursuant to their charge, but again this has not occurred.

3.16 STDC has, for over two years, been in negotiation with the consortium of Thai Banks. Despite the best efforts of STDC and an offer having been made which, following independent advice, is considered to represent market value for the acquisition of the SSI land, these discussions have not been concluded. Further, progress has slowed and STDC now has little confidence that a negotiated agreement will be reached in a timely manner. STDC accordingly resolved to press on with the making of the Order whilst continuing discussions with the Thai Banks with a view to securing a negotiated agreement. In so doing, STDC is mindful that a solution for the SSI land needs to be reached. The Government cannot continue to fund the Keep Safe costs for the SSI land indefinitely and at significant cost to national and local taxpayers.

Tata Land

3.17 Tata Steel owned the freehold interest in the land comprising plots 5 – 7, 10, 13 – 19, 21 – 24, 27, 31 – 36, 38 – 40, 64, 72, 75, 77, 79, 80, 83, 95, 96, 100, 101, 104, 105, 108, 109, 115, 117, 118, 120, 123 – 127, 130, 131, 133, 140, 142, 143, 144, 146, 148 – 155, 158 – 160 and 162 as shown on the Order Map. It also owned a leasehold interest in plot 156 as shown on the Order Map. The land includes the former iron, coke and steel making operations at Redcar, Lackenby, Grangetown and South Bank, together with internal estate roads, waste disposal, rail and utility infrastructure.

- 3.18 Having operated the iron and steel making industries through declining markets in the 2000's, Tata Steel began the process of winding down the operations in 2010, culminating in the sale of the operable iron and steel making elements of the land to SSI. Tata Steel retained the wider landholdings and with SSI, managed infrastructure resource sharing agreements to govern the operations of the various landowners and tenants across the site area. Whilst large areas of the Tata Steel land appear as open wasteland, much of the site has been developed at some point in time; with foundations, hard standing areas, conveyors, above-ground pipes, railway tracks and sidings present throughout.
- 3.19 In late 2016, STDC commenced discussions with Tata Steel with a view to acquiring their land and, in February 2019, STDC acquired Tata Steel's land interests through its wholly owned subsidiary, South Tees Developments Limited ("STDL").
- 3.20 There are two tenants occupying large tranches of the Tata land which STDC has acquired through STDL; being Civil and Marine Limited who produce construction materials and East Coast Slag Products Ltd, who process aggregates and bi-products associated with iron and steel making processes for use in the construction industry. STDC has engaged with both regarding the impact of the regeneration of the STDC Area on their operations. As a result of those discussions and STDC having acquired the freehold, STDC has resolved not to acquire the leasehold interest of Civil and Marine Limited. Discussions continue with both Civil and Marine Limited and East Coast Slag Products Ltd.

Crown Estate

- 3.21 The Crown Estate is the reputed owner of plot 156 and the beneficiary of certain rights to mines and minerals. The Crown Estate is also the beneficiary of various restrictive covenants across the land included in the Order. STDC is not authorised to acquire Crown interests pursuant to the Order and has accordingly entered into dialogue with the Crown Estate since June 2018 with a view to acquiring any interests needed to deliver regeneration of the STDC Area by agreement.

Other Landowners

- 3.22 STDC has entered into dialogue and/or negotiations with other landowners with smaller landholdings commencing in Summer 2018, including Sembcorp, British Steel (Greybull), Redcar & Cleveland Borough Council, Total Bolt Solutions Ltd, S & V Evershed, Network Rail and Green Lane Capital (N/E) Ltd. Negotiations are ongoing with all parties and an agreement in principle has been reached with S & V Evershed. STDC expects in the majority of cases to agree terms upon which it can acquire the land interests it needs, conditional upon the Order being confirmed. All landowners and tenants within the Order land have been contacted in the lead up to making the Order.

Unknown Ownership

- 3.23 There are a number of unregistered parcels of land which 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 owners are unknown.

4 REGENERATION PROPOSALS

Background

- 4.1 The Order Land sits adjacent to the River Tees which has long been a major economic driver for the Tees Valley. For over 150 years, heavy industry has been the dominant land use. Historically, the key sectors have been iron and steel making, the port and logistics handling, and chemicals. The liquidation of SSI in October 2015 saw the subsequent closures of the Redcar iron and coke making complex and the Lackenby steel making plant. The South Bank Coke Ovens had closed just ahead of the liquidation in September 2015. This marked the end of nearly 170 years of iron and steelmaking in the locality and the loss of some 2,000 jobs directly, 1,000 contractors, and a further 1,000 indirect jobs.
- 4.2 Immediately following the liquidation of SSI, the SSI Taskforce was formed to support local businesses and communities. However, the challenge of replacing lost industries with long term alternative major employment opportunities and of building on the strengths of the South Tees and wider Tees Valley area remain. Significant long-term investment and intervention is required, together with a robust and ambitious deliverable vision and strategy.
- 4.3 The following paragraphs set out STDC's vision for the area of which the Order Land forms part. It also sets out the national and local planning policies and supplementary planning guidance against which specific proposals for parts of the Order Land will come forward.

South Tees Regeneration Master Plan

- 4.4 The South Tees Regeneration Master Plan was prepared in 2017 as a supporting visioning and development strategy document to inform the preparation of the SPD. It was subject to public consultation in October/November 2017. There were no objections raised by any affected landowners upon launch of the Master Plan and during the seven-week public consultation period in the fourth quarter of 2017, nor on the run-up to the adoption in May 2018 of the South Tees Area Supplementary Planning Document, that binds the Master Plan into the regulatory planning framework for the borough of Redcar & Cleveland. This includes no objections from the Thai Banks, nor from the Official Receiver (SSI-In Liquidation). The Master Plan was updated in March 2019. It sets out the vision for transforming the STDC Area into a world-class example of a modern, large-scale industrial business park by providing a flexible development framework where land plots can be established in a variety of sizes to meet different occupier needs in the most efficient manner possible. Of equal importance is the delivery of an area-wide infrastructure system to both service occupier requirements and to provide optimum connectivity across the STDC Area.
- 4.5 Realisation of an integrated industrial park characterised by distinct themes and zones will attract industrial businesses and operators for which strong market demand is evident. The STDC Area is an international level opportunity to grow the economy of the Tees Valley by redeveloping large, well-serviced areas to accommodate appropriate major space users and/or clusters of similarly themed uses. Comprehensive development in a manner set out in the Master Plan will ensure that the area has a "unique selling point" ("USP"), centred upon its proximity to water and providing access to excellent port facilities, as well as being able to accommodate Tier 2 support industries close-by to Tier 1 primary uses.
- 4.6 The Master Plan illustrates how optimal spatial planning will result in the creation of well-ordered, high density development, affording flexibility in parcel size and parcel configuration. Compatible uses will be clustered. Prime waterside land will be protected to provide for uses that rely on proximity to the river whilst also attracting businesses to the STDC Area by ensuring access to the water with its existing and new port facilities.

- 4.7 Comprehensive land assembly will also enable transport and utilities networks to be optimally designed, delivered and used, incorporating, where suitable, the significant infrastructure in situ. New and improved access to port facilities will be delivered and capacity created for expanded rail freight facilities. A fully-integrated energy network, serving all development zones shall be attained. Pollution reduction, long term environmental sustainability and biodiversity are also key attainments.
- 4.8 High impact/low cost innovative solutions to site preparation and infrastructure needs, particularly in the early phases of development, are important to aid delivery. The ability to phase and prioritise development is key to addressing ground remediation issues.
- 4.9 In order to realise the above vision, the Master Plan establishes five principal areas (or “zones”) shaped by location, scale, typology of uses, development themes, interdependencies and physical constraints. Four of the zones will provide for development (the fifth being reserved for coastal community uses and is not included in the Order Land). The land use potential and development densities demonstrated in the Master Plan for each of the four development zones are informed by firm investor enquiries and related proposals, sized appropriately from actual developer requirements or examples from around the world.

Planning Policy Framework

- 4.10 The Guidance states that where planning permission will be required for a scheme for which a compulsory purchase order is sought, and has not been granted, there should be no obvious reason why it might be withheld (paragraph 15). The provisions of Section 38(6) of the Planning and Compulsory Purchase Act 2004 require that a scheme which is the subject of a planning application should be in accordance with the development plan, unless material considerations indicate otherwise. The development plan for the Order Land is the Local Plan. The SPD supports the Local Plan and is to guide and inform the preparation of development proposals at planning application stage. Together, the Local Plan and SPD combine to give a detailed planning framework within which planning permissions will be granted for development that will realise STDC’s vision for the regeneration of the area.

National Policy

- 4.11 The National Planning Policy Framework (“NPPF”) (at paragraph 2) reiterates the statutory requirement to determine planning applications in accordance with the development plan and, therefore, the Local Plan is the starting point for determining the acceptability of development. There is a presumption in favour of sustainable development which the NPPF identifies as having three overarching objectives, namely economic, social and environmental objectives (paragraph 8). It is clear that the regeneration and effective use of the Order Land, being previously-developed land, will contribute to sustainable development in accordance with the NPPF.
- 4.12 In relation to the economic objective, the NPPF explains that to help build a strong, responsive and competitive economy, *“sufficient land of the right type is available in the right places and at the right time to support growth, innovation and improved productivity, and by identifying and coordinating the provision of infrastructure”* (paragraph 8a). The assembly and regeneration of the land to facilitate its redevelopment will create conditions in which businesses will invest, in turn helping to build a strong, responsive and competitive economy on Teesside.
- 4.13 In relation to the social objective, the NPPF encourages the planning system to *“support strong, vibrant and healthy communities, by.... fostering a well-designed and safe built environment, with accessible services and open spaces that reflect current and future needs and support communities’ health, social and cultural well-being”* (paragraph 8b). Regeneration and redevelopment in accordance with the Local Plan and SPD will create a place that is well-designed, safe and accessible with open spaces that support the well-being of surrounding communities.

- 4.14 Finally, the NPPF's overarching environment objective is to "*contribute to protecting and enhancing our natural, built and historic environment; including making effective use of land, helping to improve biodiversity, using natural resources prudently, minimising waste and pollution, and mitigating and adapting to climate change including moving to a low carbon economy*" (paragraph 8c). The regeneration and on-going active management of the land, and the application of Local Plan policies in the planning application determination process, will ensure the protection and enhancement of the natural, built and historic environment.

Local Policy

- 4.15 The local planning authority, Redcar & Cleveland Borough Council, adopted its Local Plan in May 2018. It identifies the regeneration of the Order Land, through securing inward investment and job creation, as a key priority. It notes in the foreword to the Local Plan that it has been prepared to respond positively to the economic challenges facing the borough, not least the cessation of steelmaking in Redcar.

- 4.16 At Policy LS 4, it sets out the South Tees Spatial Strategy, namely:

"The Council and its partners will aim to:

Economy

- a. deliver significant economic growth and job opportunities through the South Tees Development Corporation and Tees Valley Enterprise Zone at Wilton International and South Bank Wharf;*
- b. support the regeneration of the South Tees Development Corporation area through implementing the South Tees Area Supplementary Planning Document;*
- c. grow the environmental and recycling sector;*
- d. investigate opportunities to create a new energy hub to support offshore wind and sub-sea engineering sectors;*
- e. support the expansion and protection of the port and logistics sector;*
- f. improve existing employment areas and provide a range of modern commercial premises that meet contemporary business requirements including the target sectors of the South Tees Area Supplementary Planning Document;*
- g. continue development on general industrial and business estates;*
- h. give the area an identity and make it attractive to inward investment;*
- i. develop the chemical, technology and energy production industries at Wilton International;*
- j. support the existing steel industries and take a lead role in supporting the future regeneration of former steel sites as part of the South Tees Development Corporation;*
- k. enhance the quality and range of services and facilities that serve the needs of those working in the South Tees employment area;*
- l. encourage clean and more efficient industry in the South Tees area to help reduce carbon dioxide emissions and risk of environmental pollution;*
- m. support development related to Sirius Minerals' North Yorkshire Polyhalite project; and*

- n. *support the extension of the road network to unlock the development potential of South Tees.*

Connectivity

- o. *improve and maintain access links between the South Tees and the strategic road network;*
- p. *support improvements to the strategic and local road networks to support economic growth;*
- q. *deliver rail infrastructure improvements to support an increased movement of rail freight;*
- r. *investigate the feasibility for providing a new rail halt at Wilton International;*
- s. *maintain and improve public transport connectivity with settlements in the borough and beyond;*
- t. *support the extension of the road network to unlock the development potential of South Tees;*
- u. *maintain and enhance walking and cycling routes from nearby towns to the South Tees employment areas;*
- v. *improve access to, and the quality of, broadband internet;*

Environment

- w. *enhance the environmental quality of employment through well planned boundary treatments;*
- x. *secure decontamination and redevelopment of potentially contaminated land;*
- y. *protect European sites, and safeguard and improve sites of biodiversity interest particularly along the River Tees and the estuary and encourage integrated habitat creation and management;*
- z. *enhance the environmental quality of the River Tees and coastline;*
- aa. *safeguard and enhance the significance of buildings, sites, settings and areas of heritage and cultural importance including the 'Dorman Long' tower at South Bank Coke Ovens supporting its adaption to enable alternative uses;*
- bb. *encourage improvements to access, interpretation and wildlife conservation and biodiversity across the area;*
- cc. *support the development of the South Tees District Heating System; and*
- dd. *support the development of Carbon Capture and Storage to de-carbonise the local economy"*

- 4.17 Nearly all of the Order Land is allocated and safeguarded for employment uses under Policy ED6: "Promoting Economic Growth". The realisation of STDC's vision for the area, as set out in the Master Plan, will fulfil this allocation. Uses falling within Use Classes B1, B2 and B8, and related sui-generis uses are supported by Policy ED6, which also identifies the area as the focus for specialist uses such as heavy processing industries and port logistics, as well as high tech and knowledge driven development. Policy ED6 also reiterates that proposals should have regard to the SPD. Development proposed on that part of the Order Land that is not subject to Policy ED6 will be determined in accordance with a range of policy considerations set out in the Local Plan and supplemented by the SPD. STDC is satisfied that none of these policies will prevent planning permission being secured in accordance with the Master Plan.
- 4.18 The Local Plan states, at paragraph 5.31, that "*despite the cessation of steel making at SSI in Redcar, the steel sector continues to be an important part of the local economy, and it is one which the Council wishes to support, alongside other employment opportunities*".
- 4.19 The Local Plan was subject to independent examination in September/October 2017. The appointed Inspector confirmed (subject to a number of main modifications that were subsequently included in the adopted plan) that the Local Plan was "sound". To be sound, a Local Plan must be effective. To be effective, the plan's strategy should be deliverable over the plan period (in this case the period to 2032). The Local Plan was informed by a range of background studies and evidence that assessed and demonstrated the deliverability of the growth being planned for in the Local Plan.
- 4.20 The SPD was adopted in May 2018. Its objectives are to secure delivery of the vision for the STDC Area by:
- Ensuring strong alignment with UK Government's Industrial Strategy;
 - Forming strategic alliances with major operators so that the Tees Valley presents a coordinated, world class offer to the international marketplace;
 - Prioritising uses connected with advanced manufacturing and advanced and new technologies;
 - Focusing on highly-skilled employment generating opportunities, whilst balancing this with the need to create a wide spectrum of job opportunities;
 - Evaluating redevelopment proposals not only from a direct jobs perspective, but as potential catalysts for job creation across the wider Tees Valley;
 - Delivering efficient connectivity across the South Tees Area through enhanced on-site transport infrastructure and the creation of an integrated and safe transport network, which takes account of the needs of a variety of users and includes sustainable travel measures, to realise optimal functionality;
 - Delivering redevelopment in a way that provides long term sustainability, reduces pollution, manages the water environment, protects the historic environment, contributes to habitat protection, safeguards biodiversity and enhances green infrastructure, open space and landscape character;
 - Ensuring the regeneration of the South Tees Area makes a major contribution to improving education and skills across the Tees Valley;
 - Using the regeneration opportunity to strengthen transport connections with Redcar town centre and other urban centres and to deliver economic and community benefits.

- 4.21 STDC has, in accordance with the SPD, commissioned a number of technical strategies to demonstrate how these objectives will be delivered. These include strategies for Ports, Transport and Environment and Biodiversity. These strategies will provide more technical detail to guide development proposals. STDC will work with the Council with a view to the SPD being reviewed periodically to incorporate such detail.
- 4.22 Development Principle STDC1 sets out the Council's regeneration priorities to achieve the comprehensive redevelopment of the STDC Area in order to realise an exemplar world class industrial business park.
- 4.23 It is established at Development Principle STDC2 that the Council and STDC will work in partnership to promote a comprehensive approach to development. Development that has the potential to stymie or prevent further phases of development or to reduce market demand or adversely affect delivery of essential infrastructure will be resisted. Land assembly will be key to achieving a comprehensive development and, as such, it is established in STDC2 that, where necessary, powers to compulsory acquire land will be used. Whilst compulsory purchase is a measure of last resort, it is considered to be an essential tool to achieve economic growth in the area in a timely manner. The Guidance encourages acquiring authorities to promote a compulsory purchase order alongside private treaty negotiations in order to avoid delay to delivering its regeneration proposals. It is especially important to ensure that investment opportunities are not lost because of the lack of availability or deliverability of development plots.
- 4.24 Part of the Order Land which forms part of the North East Industrial Zone, is not allocated in the Local Plan for employment-use development. STDC has engaged with the Council about the acceptability of development on this land. The Council has confirmed that, whilst such development would represent a departure from the Local Plan, there is no obvious reason why planning permission should not be granted for it.

Benefits of the Regeneration Proposals

- 4.25 The regeneration scheme will enable the delivery of the comprehensive regeneration of under-utilised industrial, manufacturing and employment land. It will achieve the remediation of contaminated land, thereby contributing to the environmental wellbeing of the STDC Area, will bring about significant economic benefits, through job creation, and contribute to the social wellbeing of the STDC Area through creating the opportunity for prosperity.
- 4.26 In particular, the following benefits will be delivered:

Social

- Improved transport connections with Redcar town centre, to boost the local economy.
- Working with the SSI Task Force to target former workers, utilising their skills in the site preparation and redevelopment of the area.
- Working with inward investors and local training providers to plan and deliver an appropriately skilled local workforce.
- Developing clear targets for job creation, improving skills and recruiting local labour.
- Existing local businesses to benefit from the investment both in the supply chain and the wider service sector.
- Making a major contribution to developing entrepreneurial culture, by encouraging business start-ups and indigenous growth as well as new, additional inward investment.

- Inspiring the next generation of skilled workers, develop and retain local talent, and help those furthest from the jobs market to bring about lasting social and economic change.
- Supporting the retention of iconic structures, major artefacts and public footpath access within the overall cultural, community and open space strategy for the STDC area.
- Establishing improved connectivity with Redcar town centre as an aid to increasing footfall and boosting the town's economy, including through sustainable transport modes.

Economic

- Initial estimates of potential job creation indicate that the delivery of the Master Plan could create up to 20,000 new jobs.
- New development to deliver a high value, low carbon, diverse and inclusive circular economy for the Tees Valley.
- Local people have the right skills to access the many jobs that will be created during the site preparation, development and operating phases of the programme.
- The creation of a significant number of new jobs with a focus on higher skilled sectors and occupations, centred on manufacturing innovation and advanced technologies and those industries best able to deliver sustained economic prosperity for the Tees Valley and its people, while realising a jobs spectrum that offers opportunities for all.
- The unique attributes of very large vacant land areas and the development flexibility this feature brings, proximity to the North Sea and international standard port facilities, and excellent, existing road and rail connections, serve to make the STDC Area significantly more attractive to inward investment. Of particular note here, is the elevated premium attached to waterside land.

Environmental

- For new development to deliver a high value, low carbon, diverse and inclusive circular economy for the Tees Valley.
- Pollution reduction, long term environmental sustainability and bio-diversity enhancements.
- Habitat management and improvements as part of the long-term management strategy of the STDC Area.
- Areas of public open space will be developed to a high quality, consistent theme and standard, as part of a site-wide strategy.

Delivery and Programme

- 4.27 Comprehensive remediation and regeneration of the STDC Area as set out in the Master Plan will take place over a 25-year programme. Such comprehensive redevelopment of the land, and the benefits arising from that redevelopment, will not be achieved through piecemeal development by individual landowners. STDC is instead best placed to deliver redevelopment of the land and will do this through implementing a progressive, optimally-phased delivery of demolition, site preparation and infrastructure across the STDC Area, which will be aligned to development priorities and led by end user requirements.

- 4.28 In the early years of the programme, STDC will prioritise land assembly in order to commence development of the most deliverable land areas, as well as remediation of the Order Land in accordance with the Master Plan. Full land assembly will be required at an early stage to ensure that demolition and remediation can take place in a comprehensive manner and the market demand can be satisfied. STDC expects that, if the Order is confirmed in early 2020, then the first acquisitions pursuant to the Order will take place that year with full land assembly being achieved the following year. Completion of the regeneration of the first phase of the Order Land and delivery of the benefits to the local and wider community and economy arising from that regeneration could be achieved as early as 2020 with the first commercial tenants expected to be on site in 2021.
- 4.29 To ensure that this programme can be achieved, STDC has already secured funding towards the carrying out of highway works to construct a roundabout which will open up a vital access to part of the Order Land. These works commenced in January 2019 and will be completed by July 2019. Enabling work commenced within the first phase of development in March 2019.
- 4.30 Whilst STDC will have overall control and management of delivering regeneration of the Order Land, it will be more beneficial for phases of development will be delivered through special purpose delivery companies, established by STDC for that purpose and being wholly owned subsidiaries of STDC. The establishment of STDL to acquire the Tata land is an example of this.

Conclusion

- 4.31 The Master Plan sets out the vision for the STDC Area, establishing the importance of achieving comprehensive redevelopment to maximise the opportunity presented by the site. The Local Plan, together with the SPD, sets out the framework in which that vision will be delivered. There is no obvious reason why planning permission should be withheld for development in keeping with the Master Plan.
- 4.32 The benefits to the local and wider community and economy of the regeneration of the Order Land proceeding will be considerable. STDC is committed to delivering the vision and the regeneration of the Order Land as soon as possible to ensure that no investment opportunities are lost and that the above-mentioned benefits are delivered.

5 CASE FOR COMPULSORY PURCHASE

Statutory Authority

- 5.1 In order to enable the Order Land to be regenerated and secure the public benefits identified in section 4 of this statement, site assembly must take place. STDC needs to pursue the Order to deliver the regeneration and development potential of the Order Land and deliver benefits for the wider STDC Area.
- 5.2 It is clear that the Order will assist STDC in achieving its statutory object of securing the regeneration of its area. STDC has wide powers of compulsory acquisition under section 207 of the 2011 Act, under which it may acquire land and/or new rights, for the purposes of achieving its objectives.
- 5.3 In exercising its power, STDC will need to show that there is a compelling case in the public interest for acquisition and that it complies with the guidance issued by the Secretary of State.

Guidance

- 5.4 The Guidance provides guidance generally on the exercise of compulsory purchase powers.
- 5.5 Importantly the Guidance requires that a compulsory purchase order should only be made where there is a compelling case in the public interest. The Guidance further states that an acquiring authority, when considering the making of a compulsory purchase order, shall have regard to the following factors:
- an acquiring authority should be sure that the purposes for which it is making a compulsory purchase order sufficiently justify interfering with the human rights of those with an interest in the land affected. Regard should be had, in particular, to the provisions of Article 1 of the First Protocol to the European Convention on Human Rights (paragraph 12 of the Guidance);
 - that adequate resource is likely to be available to enable the acquisition of the land pursuant to the order and for the scheme underlying the order to proceed (paragraph 14 of the Guidance);
 - that the scheme underlying the order is unlikely to be blocked by impediments to implementation (paragraph 15 of the Guidance); and
 - that there is no obvious reason why planning permission for the scheme might be withheld (paragraph 15 of the Guidance).

Interference with Human Rights

- 5.6 STDC has had regard to the impact of the Order on the human rights of those with an interest in the land included in the Order.
- 5.7 During the final quarter of 2017, there was significant engagement with the community through a series of public and specific events. These included the launch of the Master Plan, involving seven public consultation events, consultation events for local councillors and fifteen other presentation sessions with stakeholder groups such as the Environment Agency, industry organisations (e.g. NEPIC, Tees Engineering Network), and local/community groups (e.g. former steelworkers, the local Golf Club, Wilton Industrial Group, the Tees Steel Group). There were no objections raised by any affected landowners upon launch of the Master Plan and during the seven-week public consultation period in the fourth quarter of 2017, nor on the run-up to the adoption in May 2018 of the South Tees Area Supplementary Planning Document, that binds the Master Plan into the regulatory planning framework for the borough of Redcar & Cleveland.

- 5.8 Discussions have been held with local residents in South Bank, local councillors, the Fisherman's Huts Association, the South Gare Group and Redcar and Cleveland Borough Council's Scrutiny Committee. Each September since the SSI closure, STDC has also taken the opportunity to speak to local businesses at the Tees Valley Business Club events in Redcar, updating on plans and developments across the STDC area. Further consultation with statutory bodies has also been included as part of the Order making process.
- 5.9 It should be noted that, whilst the Guidance looks to acquiring authorities to seek to acquire land by agreement wherever practicable (paragraph 2 of the Guidance), it recognises that it may be sensible for acquiring authorities to start formal compulsory purchase procedures in parallel with their efforts to acquire by agreement. The Guidance notes that this has the advantage of making the seriousness of the acquiring authority's intentions clear from the outset which in turn might encourage those whose land is affected to enter more readily into meaningful negotiations. The Guidance further encourages acquiring authorities, in making any order, to offer those affected access to alternative means of dispute resolution where appropriate.
- 5.10 STDC has, in accordance with the Guidance, progressed the making of the Order alongside private treaty negotiations. As discussed in section 3, STDC has engaged with all affected landowners commencing with the major landowners in spring 2017 and progressing to the minority landowners in September 2018, as they have been identified and confirmed. Significant success in negotiations has been achieved with the acquisition of the major land interests of Tata Steel. STDC expects in the majority of cases to agree terms upon which it can acquire the land interests it needs, conditional upon the Order being confirmed.

Funding

- 5.11 Paragraph 14 of the Guidance states that an acquiring authority should provide details of the sources and timing of funding for both acquiring the land and implementing the scheme.
- 5.12 As part of the detailed, extensive baseline technical and other study work that informed the Master Plan, a comprehensive cost estimating exercise was undertaken, by independent consultants, on the financial commitment required to deliver all of the necessary demolition, ground remediation, site preparation, infrastructure, and other enabling works expected of STDC in order to realise the delivery of development in line with the Master Plan. The estimate arrived at is circa £504m. In addition to this, is the cost of acquiring the necessary land, which stands at circa £60m.
- 5.13 The money required to acquire the land (circa £60m) was agreed as a local government matter, and this funding was approved by TVCA Cabinet at a meeting on 24 January 2019.
- 5.14 A key early stage project in STDC's efforts to deliver the regeneration enabling works is the decontamination of various redundant SSI assets, such as the South Bank Coke Ovens and Redcar Coke Ovens, to address the inventory of COMAH substances contained on the land; a project valued at £49m within the £504m. Government has already committed this £49m, and the project is due for commencement in April 2019, under the stewardship of STSC.
- 5.15 A further award of some £14m was made by Government to fund the infrastructure and other development enabling works for STDC's Phase 1 area (the former Tata land on the Prairie site) which is sized at 121 acres. These monies were secured through the Autumn Budget 2018 and were provided in February 2019, taking the expenditure commitment to date to £63m out of the £504m referenced above.
- 5.16 STDC has devised a strategy for securing the remaining monies. The strategy is based on the establishment of an Investment Fund that TVCA has agreed, in principle, to take responsibility for the performance of, where the proceeds of retained business rates and revenue from land receipts (rentals) will be recycled to fund the costs of further development enabling works in line with securing new developments.

- 5.17 STDC has discussed with MHCLG the principal opportunity of Tax Increment Financing ("TIF"); a public financing method that is used as a subsidy for redevelopment, infrastructure, and other community-improvement projects, founded on the Business Rates Retention Scheme introduced in 2013-14. Given STDC's Special Economic Area status and the assurances given by Government regarding business rates retention, STDC will be in a position to borrow monies for regeneration enabling works projects against the projected future growth in business rates receipts resulting from new development projects. Should the TIF opportunity not be realised, STDC has the ability to borrow through TVCA on a business case by business case basis.
- 5.18 STDC has been in dialogue with major private and public sector investment funds (e.g. pension funds, infrastructure funds, etc.) for some time now, and it is clear there is a strong appetite for investing in STDC and the STDC Area, when considering the projected revenue returns from land receipts.. This funding stream opportunity represents a key facet of the funding strategy.
- 5.19 In terms of wider Government commitment, close to £120m of funding has been allocated over a five-year programme to STSC to cover the Keep Safe arrangements across the SSI land inclusive of the afore mentioned £49m for decontamination.

Impediments to Delivery

- 5.20 The Guidance requires an acquiring authority to show that the scheme underlying the order is unlikely to be blocked by any physical or legal impediments to implementation. These include the programming of any infrastructure accommodation works or remedial work as may be required and any need for planning permission or other consent or licence.
- 5.21 As set out in section 4 of this statement, the Master Plan is in accordance with the planning policy framework and STDC is confident that there are no obvious reasons why planning permissions for related industrial development might be withheld. Proposals for Class B development in the STDC Area (within the defined limits to Development) accord with the land-use allocation in the Local Plan. Other policies in the Plan, together with the SPD, provide a framework to guide development and to enable impacts to be identified, assessed and mitigated, so as to enable planning permissions to be granted.
- 5.22 For planning permission to be refused for Class B employment uses, there would need to be material considerations so significant that they would be capable of outweighing the proposals' conformity with the Development Plan. In this regard, there are no obvious material considerations.
- 5.23 The Local Plan and SPD were subject to Strategic Environmental Assessment (SEA) (forming part of a Sustainability Appraisal (SA) in respect of the Local Plan), as well as Habitat Regulations Assessment. The final version of the Local Plan was closely informed by the SA process and concluded that the Plan would result in no significant adverse effects. Likewise, the SEA of the SPD concluded that its implementation is likely to have significant beneficial effects on the environment and that no significant adverse effects are likely, including on the Teesmouth and Cleveland Coast Special Protection Area (SPA) and the South Gare and Coatham Sands Site Special Scientific Interest (SSSI).
- 5.24 The assembly of the land and its delivery in a manner illustrated in the Master Plan will provide flexibility to enable development proposals to be designed and located in a way that meets the requirements of the policy framework: the Local Plan and the SPD. Necessary on-site and off-site mitigation can be secured, including highway improvements within and beyond the STDC area. The application of the Local Plan's policies and the delivery of the land-use allocations will not prejudice the safe and efficient operation of the strategic and local road networks.

- 5.25 STDC will introduce three strategic highway access points to the development at Redcar, South Bank and at Teesport, with direct links to the A66 provided via additional access points at Eston Road and by re-opening the existing Bessemer Gate access at Grangetown. As development priorities and related funding requirements are determined and secured, consideration will be given to the need for off-site highway improvements, to ensure efficient access to the development is not compromised. The internal infrastructure networks, accommodating road, rail, pedestrian and utilities corridors will also be linked to the river and related port facilities.
- 5.26 Potential physical impediments include:
- Ground contamination: Desktop studies have evidenced that there will be only localised, discrete and relatively small areas of land where contamination is more prevalent and problematic, requiring remediation intervention in line with STDC's developing remediation strategies. While further ground investigations are required and planned for the near future, based on ground investigation information acquired to date, the majority of the site is not considered to be contaminated to a level that would adversely impact redevelopment for industrial end uses.
 - Significant above and below ground utilities: The site is traversed by major offshore gas pipelines (the Breagh and CATS pipelines), however, the related development exclusion zones have been integrated into the development proposals and these assets will not present any further impediments. National Grid overhead power lines cross the STDC Area, but, similarly, have been accommodated within the development zoning and the determination of land available and unavailable for development. The active Sembcorp Utilities Corridor runs northwest/southeast across the site; however, this corridor exists at a lower ground level than the surrounding site and will be crossed by road, rail and utilities bridges to enable a cohesive development. The former Coke Ovens Gas Main (COGM) network extends across much of the planned development area, however, funds have already been secured from central government to decontaminate and decommission this infrastructure. Negotiations with utility companies will be entered into to address other more minor potential utilities impediments.
 - The operational Network Rail Darlington to Saltburn railway line crosses northeast/southwest through the site. Negotiations are ongoing with Network Rail to ensure that rights to cross under and over can be secured at key transport and utilities nodes, utilising existing crossing locations wherever possible, to enable connectivity across the development.
- 5.27 Save for land assembly, STDC is not aware of any legal impediments to delivering regeneration of the Order Land.
- 5.28 The Guidance does not provide specific guidance on STDC's power in section 207 of the 2011 Act. However, the guidance in section 4 of the Guidance on orders made by urban development corporations under the Local Government Planning and Land Act 1980 ("1980 Act") is helpful, providing (at paragraph 132) that the Secretary of State should have regard to the following factors in deciding whether to confirm an order under the 1980 Act:
- whether the urban development corporation has demonstrated that the land is in need of regeneration;
 - what alternative proposals (if any) have been put forward by the owners of the land or other persons for regeneration;
 - whether regeneration is on balance more likely to be achieved if the land is acquired by the urban development corporation;

- the recent history and state of the land;
- whether the land is in an area for which the urban development corporation has a comprehensive regeneration scheme; and
- the quality and timescale of both the urban development corporation's regeneration proposals and any alternative proposals.

5.29 Taking each point in turn:

Whether STDC has demonstrated that the land is in need of regeneration

5.30 When SSI went into liquidation in October 2015, it marked the end of over 150 years of iron and steel making on South Tees, and it left behind a legacy of redundant major industrial facilities ranging in age from 40 to 60 years, including plant containing many hazardous substances that have given rise to the COMAH top tier status presently allocated to the land. It has also left a legacy of potentially contaminated ground conditions that will need various levels of remediation intervention. To compound matters, conditions across the Order Land including the former SSI land have only worsened over the 3 plus years since closure of the SSI land, as the various structures and plant continue to deteriorate. This has required the implementation of a rigorous programme of ongoing health, safety and environmental monitoring procedures and interventions delivered through STSC.

5.31 The situation left behind by the cessation of operations across the Order Land has necessitated extensive financial intervention by the UK Government, both in providing major funds (£80m) to the SSI Task Force, that was set up to support those who lost their employment under closure, and, also, the monies required to fund STSC in fulfilling, on behalf of the OR, site safety and security management or Keep Safe functions across the land, where some 115 full-time employees are engaged. UK Government has therefore had to provide a long-term commitment to the OR to underpin maintenance and safety obligations, which has already realised over £50m of expenditure, with necessary funding on Keep Safe continuing at around £16m per annum while the current situation continues. In this regard, UK Government has committed funding on Keep Safe to 2022. It has also committed the monies needed to decontaminate various assets to address the inventory of COMAH substances contained on site; a project valued at £49m. In total, the Government has to date committed in the region of £265m to meet the residual liabilities which have arisen following the failure of SSI UK.

5.32 It is not however in the public interest for this situation to continue longer than it must. Instead, it is in the public interest that future liabilities are mitigated as speedily as possible and that any funding be used to support the future comprehensive redevelopment of the SSI land and the wider site, rather than merely keep it safe. Section 4 of this statement demonstrates that there is clear and consistent planning policy support for the regeneration of the Order Land.

What alternative proposals (if any) have been put forward by the owners of the land or other person for regeneration

5.33 No major alternative proposals for the Order Land have been put forward. Further, given the fragmented nature of the Order Land, its history and its current status, STDC consider it unlikely that regeneration of the Order Land can be achieved by individual landowners on a piecemeal basis.

- 5.34 Notwithstanding this, STDC has, in making the Order, had regard to any alternative proposals put forward by landowners and this has informed the extent of the land included within the Order. For instance, STDC is aware of and has engaged with both Redcar Bulk Terminal Limited ("RBTL") and Sirius Minerals in respect of the ongoing development of their land. As RBTL is, at the current time, actively pursuing industrial development on its land and those development proposals are in accordance with the vision of the STDC Area, STDC has made the decision not to seek to acquire their land at this time, whether by agreement or pursuant to the Order as, on balance, there does not at this time appear to be any compelling case in the public interest to seek to acquire by compulsory purchase. Instead, STDC support the coming forward of development on the RBTL land that is aligned with the Master Plan.

Whether regeneration is on balance more likely to be achieved if the land is acquired by STDC

- 5.35 The Order Land largely comprises two redundant landholdings – the land formerly in the ownership of Tata Steel and the SSI land in the control of the OR, which together comprise close to 1,800 acres of the overall 2,300 acres of development land identified in the Master Plan. The fragmented nature of these land holdings, comprising a disparate array of individual, irregular-shaped, interspersed land parcels, together with the contamination on the land, acts as a barrier to development coming forward.
- 5.36 When SSI acquired its land interests from Tata Steel in 2011 for the purposes of recommencing iron and steel making, they selected only the building, plant and land assets of absolute necessity to their proposed operations. The Tata estate was thereby reduced in size and then characterised by large areas of open land, with a long industrial heritage, adjoining and, in various locations, surrounding operational SSI plant and facilities, which now lie dormant. In turn, the SSI land is therefore characterised and, indeed, dominated by large-scale industrial plant and facilities in a declining, poor structural condition, presenting, to not just the SSI land but adjoining land too, many health and safety hazards requiring continued site management to mitigate risk.
- 5.37 Several of the existing SSI land parcels are islanded by other landholdings and rendered inaccessible for development until such time as the surrounding land is acquired. Additionally, many parcels, due to their irregular shape, do not enable the optimum development densities and economic outcomes, aspired to in the Master Plan, to be achieved, unless they are integrated into surrounding land areas under other ownerships.
- 5.38 In order to maximise the full development potential of an acquired landholding, it is imperative that, on adjoining land, neighbouring impediments and/or detriments to realising new uses are suitably addressed. Failure to do this would not only restrict the net amount of land in any single acquisition that could be brought forward for development, it would also compromise the types of development possible and the land values that could be realised. As an example, acquiring Tata land at South Bank, without acquiring SSI land, would deliver a landholding for development with a bad neighbour use – a derelict, hazardous coke ovens complex – requiring development offset zones, so reducing the net developable land available and constraining how such land can be brought forward for development.
- 5.39 By acquiring all the redundant land available for development, STDC will be able to deliver major, contiguous land areas, affording significant flexibility in the size and type of opportunities that can be accommodated across the developable estate – such as large-scale operators, clusters, linked industrial processes – and the comprehensive, integrated infrastructure networks needed for optimised operability across the area; so capitalising on synergies between different uses and thereby maximising development potential.

- 5.40 Without STDC's intervention and assembly of the Order Land pursuant to the Order, it is highly unlikely that the regeneration of the STDC Area will be achieved and the transformational opportunity set out in the Master Plan that capitalises on their area's unique selling points to create a world class industrial business park and the right conditions for driving sustained economic growth will be secured. STDC's intervention will enable the delivery of a business park that is home to industries based on new and emerging technologies and advanced manufacturing, that align squarely with the aims and objectives UK Government's Modern Industrial Strategy and the emerging industrial strategy of the Tees Valley, along with various other national and regional priorities. In order to realise a vision of this scale and profile, and deliver the economic step change envisaged, it is imperative that all of the land available for redevelopment is acquired by STDC.
- 5.41 STDC's vision for the land, as set out in the Master Plan, seeks to overcome this barrier by taking a comprehensive approach to redevelopment of the entire land area available. The Master Plan sets out a vision to deliver a flexible development framework where land plots can be established in a variety of sizes to meet different occupier needs in the most efficient manner possible. Of equal importance is the delivery of an area-wide infrastructure system to both service occupier requirements and to provide optimum connectivity across the STDC Area.
- 5.42 Further, STDC, through use of its compulsory purchase power, it is best placed to deliver regeneration of the Order Land in a timely manner. Any site assembly by a third party is unlikely to occur within a reasonable timeframe and a previous Enhanced Capital Allowance scheme, effected through the establishment of Enterprise Zones, to kick start delivery of individual pockets of land has not been fruitful.
- 5.43 There is strong end user interest in the Order Land from potential end users and occupiers particularly if it is regenerated in a comprehensive manner to deliver an integrated industrial park with the characteristics and attributes illustrated in the Master Plan. Existing and forecast future market demand for uses aligned with the Master Plan are significant, notably: advanced manufacturing, including metals, automotive and offshore energy; recycling and uses aligned with the circular economy, e.g., metals and bi-products reprocessing, carbon capture, etc; and energy generation and energy storage. There are already committed developments within the STDC area. These include:
- MGT Power: involving the ongoing construction of a 299MW biomass power plant that will be generating power by early 2020
 - Sirius Minerals: whose project to mine in North Yorkshire and process and export on South Tees polyhalite as a global fertiliser product has now entered construction phase and will be operational by 2021.
- 5.44 However, the creation of the high quality industrial park is key to attracting these industries. Public sector intervention is necessary to achieve this step-change in the quality and uniqueness of the area's "offer" to the marketplace.
- 5.45 Piecemeal development opportunities will either not prove attractive to the market or will stymie the efficient use of the wider vacant land areas in the Order Land. This therefore requires the site assembly referred to above to provide the land needed to enable the development. This is only likely to come forward, in the timescales required, if the land is acquired by STDC through compulsory purchase.

The recent history and state of the land

- 5.46 On 2 October 2015, SSI went into liquidation, resulting in the termination of the entire SSI operations on site and marking the end of almost 150 years of iron and steel making on Teesside. Upon closure, the assets and landholdings were placed in the hands of the Official Receiver and are now managed by STSC. STSC is responsible for the ongoing management of the site, which is designated COMAH Top Tier status. The present Keep Safe arrangements are conducted by STSC.
- 5.47 As indicated above, the costs of the Keep Safe arrangements are considerable and it has taken a huge commitment of public money to reach this stage. It will take further funding to continue to Keep Safe the site and thereafter to regenerate the site. It is unlikely that the private sector will be able to deliver this and, so, STDC was launched in August 2017, as the special purpose vehicle for delivering regeneration of the South Tees Area. The STDC Area amounts to almost 4,500 acres and primarily comprises the former Tata and SSI landholdings, located along the southern bank of the estuary of the River Tees.
- 5.48 Much of the SSI land is occupied by extensive iron and steel making plant, buildings and facilities. While large areas of the Tata landholding appear as open wasteland, much of this land has been developed at some point in time. Foundations and hard standing are present across the Tata land areas, further to buildings and infrastructure associated with the former, more historic iron and steel works uses having been progressively cleared to ground level.
- 5.49 Live and redundant utilities are present throughout the site. The site is also served by an array of roads and rail infrastructure, including many bridges, all in varying states of disrepair, where attendance to necessary maintenance needs has been very limited in more recent times.
- 5.50 Desktop studies and physical ground investigations have been carried out on much of the SSI land, evidencing that there will be only localised, discrete and relatively small areas of land where contamination is more prevalent, requiring remediation interventions. On Tata land, desktop studies and the availability of a limited amount of ground investigation information, point towards a similar position as with conditions on SSI land. However, further ground investigations are required and planned for Tata land in order to properly characterise ground conditions. In summary, based on knowledge acquired to date, the majority of the site is not considered to be contaminated to a level that would adversely impact redevelopment in line with the Master Plan.

Whether the land is in an area for which STDC has a comprehensive regeneration scheme

- 5.51 The Order has been sought to facilitate the comprehensive regeneration of the Order Land. There is a clear vision for the Order Land as set out in section 4 of this statement. This is in accordance with STDC's statutory objective set out in section 201 of the 2011 Act and its powers set out in section 206 of the 2011 Act.

The quality and timescale of both STDC's regeneration proposals and any alternative proposals

- 5.52 The regeneration proposals for the Order Land and the wider STDC Area have been the subject of a detailed Master Plan. The Master Plan provides a comprehensive, flexible development framework aimed at realising the most optimal manner in which to bring forward high quality regeneration proposals across the STDC Area.
- 5.53 The strategy set out in the Master Plan is to see the STDC Area transformed into an international scale, world class industrial business park. Having identified the land available for employment-generating development, STDC has planned the regeneration proposition in a zonal, phased manner that will enable sufficient flexibility in delivery across the proposed development timeframe. The five principal areas (or zones) identified for regeneration are:

- North Industrial Zone
- North East Industrial Zone
- Central Industrial Zone
- South Industrial Zone
- Coastal Community Zone

5.54 In defining these zones, STDC has had regard to early investor interest in the STDC Area and how these can be best accommodated within the overall development framework, while leaving sufficient flexibility for change and adaptation over the envisaged, understandable long timescale for full build-out of the site.

5.55 The Guidance emphasises that the Secretary of State will want to be reassured that there is a realistic prospect of the Order Land being brought into beneficial use within a reasonable timeframe (paragraph 134).

5.56 STDC has already received a significant number of expressions of interest (in excess of 100) from potential end users and occupiers from a range of sectors targeted within the Tees Valley Strategic Economic Plan and the Master Plan. In part, due to the early investor interest, the Master Plan identified specific zones for sector based activity e.g. offshore and renewable energy at South Bank, along with a Metals Cluster in the South Industrial Zone, and Advanced Manufacturing and Energy Generation/Storage in the North and North East Industrial Zones.

5.57 Despite STDC not having actively marketed the STDC Area, there has been and continues to be considerable interest in the area from potential investors, including over 100 separate expressions of interest in bringing forward industrial development, pending land acquisition being completed. The types of uses for which interest has been shown provide strong potential for realising major development in the following sectors and areas:

- Clean energy generation;
- Energy storage;
- Carbon capture, utilisation and/or storage (CCUS);
- Offshore wind;
- Subsea power transmission cable manufacture;
- Metals recycling, including offshore rig decommissioning;
- Metals processing and production (iron, steel, aluminium and high-specification alloys);
- Automotive;
- Energy from waste production;
- Coke making and methanol production;
- Bulk storage and export;
- Rail; and

- Hydrogen economy.
- 5.58 Interest has also been shown in the repurposing and reuse of existing, former steelmaking facilities across the Order Land.
- 5.59 The level of interest in redevelopment to date supports the initial analysis undertaken at Master Plan stage that comprehensive regeneration on an area-wide scale, based on a well-balanced approach to use and sector typologies, avoiding over-reliance on one use/sector, has the firm potential to realise 20,000 new jobs for the Tees Valley. There is also strong evidence of realising new development in step with the 10 core principles of the Master Plan strategy, including the prioritisation of uses connected with advanced manufacturing and advanced and new technologies; promoting and supporting development aligned with a low carbon, circular economy, and within a framework of reduced energy costs and waste minimisation; and strong alignment with UK Government's modern Industrial Strategy.
- 5.60 STDC is accordingly confident that the regeneration proposals for the Order Land are deliverable and within a reasonable timeframe. STDC will continue to progress discussions with interested developers in tandem with securing the Order.

Conclusion

- 5.61 STDC has had regard to the requirements of the legislation and the guidance set out above and considers that there is a compelling case in the public interest to make the Order.
- 5.62 In particular, it is in the public interest for STDC, as the special purpose public sector regeneration vehicle for South Tees, to acquire the Order Land as quickly as possible in order to arrest the current trend of continuing decline in the condition of said assets and bring to an end the significant investment being made by UK Government in maintaining these assets in a steady state; instead utilising available public funding to enable redevelopment, realise inward investment, and deliver physical and economic regeneration for the benefit of the local and wider UK economies. Further:
- STDC considers there to be a compelling case in the public interest, namely that the benefits to be derived from implementation of the scheme justifies the interference with the human rights of those with an interest in the land included in the Order;
 - the main part of the Order Land has long been underutilised and has the potential to make a substantial contribution towards securing the regeneration of the STDC Area. STDC is satisfied that the use of its compulsory purchase power is entirely appropriate to achieve this outcome;
 - no alternative proposals have been put forward for redevelopment of the Order Land;
 - STDC is confident that, other than assembly of the land, there are no impediments to securing regeneration of the Order Land;
 - STDC is satisfied that there is a reasonable prospect of the scheme being delivered within a reasonable timescale;
 - STDC is confident that the scheme will deliver significant economic and environmental benefits to the STDC Area and will stimulate further regeneration of the area;
 - STDC has endeavoured and continues to endeavour to acquire the Order Land by private treaty and is satisfied that the benefits of the scheme will not be secured without the CPO; and

- STDC is satisfied that there are no planning impediments to delivery of the scheme and that the scheme is in accordance with adopted planning policy as set out in section 4 of this statement.

6 SPECIAL CATEGORY LAND AND RELATED ORDERS

Other special category land

- 6.1 There are a number of interests held by the Crown Estate as described in section 3 of this statement. STDC is not authorised to acquire Crown interests pursuant to the Order and has accordingly engaged with the Crown Estate with a view to acquiring any interests needed to deliver regeneration of the STDC Area by agreement.
- 6.2 There are no listed buildings in the Order Land.
- 6.3 None of the Order Land is included in a conservation area.

Related orders

- 6.4 There are no related orders.

7 HUMAN RIGHTS CONSIDERATIONS

- 7.1 The Human Rights Act 1998 incorporated into domestic law the European Convention on Human Rights (“ECHR”). The ECHR includes provisions in the form of Articles, which aim to protect the rights of the individual.
- 7.2 Section 6 of the Human Rights Act 1998 prohibits public authorities from acting in a way which is incompatible with rights protected by the ECHR.
- 7.3 As is clear from the Guidance, a compulsory purchase order should only be made where there is a “compelling case in the public interest”, and that a public authority pursuing a compulsory purchase order should be sure that the purposes for which it is making that order sufficiently justify interfering with the human rights of those with an interest in the land affected. In making this assessment, the authority should have regard, in particular, to the provisions of Article 1 of the First Protocol and Articles 6 and 8 to the ECHR.
- 7.4 Article 1 of the First Protocol of the ECHR states that “every natural or legal person is entitled to peaceful enjoyment of his possessions” and that “no one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by the law and by the general principles of international law....”.
- 7.5 Whilst the owners of the land comprised in the Order Land may be deprived of their property if the Order is confirmed and thereafter implemented, this will be done in accordance with the law. The public benefits associated with the Order are set out in this statement, and STDC considers that the Order strikes a fair balance between the public interest in seeing the regeneration proceed (which is unlikely to happen in the absence of the Order), and the private rights which will be affected by the Order.
- 7.6 In this case, despite efforts being made, STDC has not been able to secure agreements with the owners of the Order Land nor has it been possible to locate the owners of the land in “unknown” ownership. Such parties will be entitled to compensation calculated under the CPO Compensation Code in respect of land acquired by STDC pursuant to the Order.
- 7.7 Article 6 of the ECHR provides that: “in determining his civil rights and obligationseveryone is entitled to a fair and public hearing within a reasonable time by an independent and impartial tribunal established by law”. The Article 6 rights are met by the procedures for objection and confirmation, the right to bring a legal challenge in the High Court under the Acquisition of Land Act 1981 and the right to have any claim for compensation determined by the Upper Tribunal.
- 7.8 The proposed regeneration of STDC's area, including the Order Land, as set out in the South Tees Area Supplementary Planning Guidance has been comprehensively consulted upon. There has been an opportunity to make representations regarding the planning policies that promote development of the Order Land. STDC has further entered into extensive discussions and negotiations with the affected landowners regarding the future of the area and the regeneration proposals.
- 7.9 Where parties object to the Order, the Secretary of State for Housing, Communities and Local Government shall arrange either for written representations, or for a public local inquiry to be held to provide those parties with an opportunity to be heard. Should the Order be confirmed, a person aggrieved may challenge the order in the High Court if they consider that there are sufficient grounds for doing so. In relation to compensation disputes, affected persons have the right to apply to the Upper Tribunal, an independent judicial body. This process is compliant with Article 6.
- 7.10 STDC has carefully considered the matters it has to balance in reaching its decision to progress the Order, and has decided that there is a compelling case in the public interest to proceed with making it, so as to enable the regeneration of its area, including the Order Land, to proceed.

8 CONCLUSION

For the reasons set out in this statement, STDC is of the view that there is a compelling case in the public interest for the Order to be confirmed to facilitate the regeneration of the Order Land.

9 INFORMATION FOR THOSE AFFECTED BY THE ORDER

General Information

- 9.1 The documents relating to the Order are listed in Appendix A to this statement and can be inspected during normal office hours at:
- Redcar Library Redcar and Cleveland House Kirkleatham Street Redcar TS10 1RT;
 - Grangetown Library 171 Birchington Avenue Grangetown TS6 7LP; and
 - South Bank Library Low Grange Health Village Normanby Road South Bank TS6 6TD.
- 9.2 The additional documents listed in Appendix B to this statement, which STDC may also refer to at any public inquiry, can be inspected during normal office hours at the above locations. STDC reserves the right to add or remove documents from this list in the light of any objections and representations made in respect of the Order.
- 9.3 All of the documents can also be viewed online at www.southteesdc.com
- 9.4 Persons requiring further information regarding the Order should contact Sue Houston at STDC by post to Teesside Management Offices, Redcar TS10 5QW, by on telephone number 01642 408000 or by email to CPO@southteesdc.com
- 9.5 Owners and occupiers of the Order Land who wish to negotiate a sale or discuss matters of compensation should contact Neil Thomas at STDC by post to Teesside Management Offices, Redcar TS10 5QW, by on telephone number 01642 408000 or by email to neil.thomas@southteesdc.com

Statutory Procedures

- 9.6 Any objection or other representation concerning the Order must be made in writing to Planning Casework Unit, 5 St Philips Place, Colmore Row, Birmingham B3 2PW before 10 May 2019 and should state the title of the Order and the grounds of objection or representation.
- 9.7 If objections to the Order are received from any person who is an owner, lessee or occupier (except tenants for a month or a period less than a month) of the Order Land and such objections are not withdrawn, then an opportunity will be given by the Secretary of State for objectors to state their views at either a public inquiry or hearing before an independent inspector after the end of the objection period.
- 9.8 If a public inquiry or hearing is to be held, all objectors will be notified individually at least 6 weeks beforehand and those who have made representations or wish to support the proposals will be similarly informed. Notice of any public inquiry or hearing would also be published in the local press.
- 9.9 It should be noted that it might be necessary to communicate the substance of all comments received to other people. If a public inquiry or hearing is held, letters of objections and other representations would be passed to the inspector holding the public inquiry or hearing.

Compensation

- 9.10 Provision is made by statute with regard to compensation for the compulsory purchase of land and the depreciation in the value of affected properties. More information is given in the series of booklets published by the Department for Housing, Communities and Local Government entitled 'Compulsory Purchase and Compensation' Listed below:

- Booklet No 1 – Compulsory Purchase Procedure; and
- Booklet No 2 – Compensation to Business Owners and Occupiers.

9.11 Copies of these booklets are available free of charge from the Planning Casework Unit, 5 St Philips Place, Colmore Row, Birmingham B3 2PW or online at www.gov.uk/government/collections/compulsory-purchase-system-guidance.

APPENDIX A

Order Documents

- 1 The Order
- 2 The Order Map
- 3 Statement of Reasons for the Order

APPENDIX B

Reports and Minutes

- 1 Report to STDC Board (July 2018)
- 2 Resolution of STDC Board (July 2018)
- 3 Report to TVCA Cabinet (March 2019)
- 4 Resolution of TVCA Cabinet (March 2019)

Legislation

- 5 Extracts from the Localism Act 2011
- 6 Extracts from the Acquisition of Land Act 1981
- 7 The South Tees Development Corporation (Establishment) Order 2017 (SI 2017/718)

Planning Policy Documentation

- 8 Extracts from National Planning Policy Framework (February 2019)
- 9 Extracts from Redcar & Cleveland Borough Council Local Plan (May 2018)
- 10 South Tees Area Supplementary Planning Guidance (May 2018)
- 11 Extracts from the Guidance on Compulsory purchase process and The Crichel Down Rules (February 2018)

The Scheme

- 12 South Tees Master Plan