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Letter of objection to Planning Application R/2020/0357/00M

To whom it may concern

1. OBJECTION

- 1.1 British Steel Limited ("**BSL**") owns and operates the world-renowned Teesside Beam Mill ("**Mill**"), a 120-hectare site with operations focused solely on the production of long sections and profiles (e.g., steel beams and columns for the construction industry). The location of the Mill is shown on the plans attached as **Appendix 1**.
- 1.2 South Tees Development Corporation ("**STDC**") has submitted an application for outline planning permission ("**Application**") to redevelop land east of Smiths Dock Road and west of Tees Dock Road ("**Site**"). The Application seeks consent for the "demolition of existing structures on Site and the development of up to 418,000 sqm (gross) of General Industry (Use Class B2) and Storage or Distribution Facilities (Use Class B8) with office accommodation (Use Class B1), HGV and car parking and associated infrastructure works all matters reserved other than access" ("**Proposed Development**").
- 1.3 While BSL is not opposed in principle to the Proposed Development, BSL **objects** to the Application on the grounds that it will result in the closure of BSL's current access through the Site to PD Ports which will significantly impact on BSLs' operations at the Mill.
- 1.4 Its objection is made on the basis that the Application is contrary to the Development Plan because it creates adverse impacts on BSL's operations at the Mill and its ability to utilise PD Ports for its export and import activities. These impacts will result in increased costs for BSL, reduced use of PD Ports for export and import activities and the potential loss of employment at the BSL Mill.

2. NON-COMPLIANCE WITH THE LOCAL DEVELOPMENT PLAN

2.1 Under section 70 of the Town and Country Planning Act 1990 (as amended) the local planning authority "shall have regard to the provisions of the development plan, so far as material to the application, and to any other material considerations". In addition, section 38(6) Planning and Compulsory Purchase Act 2004 provides: *"If regard is to be had to the development plan for the purposes of any determination to be made under the planning Acts the determination must be made in accordance with the plan unless material considerations dictate otherwise"*.

2.2 The current adopted Development Plan comprises the Redcar and Cleveland Council's ("**Council**") Local Plan (May 2018) and the Tees Valley Joint Minerals and Waste Development Plan Documents. Additional policies relating to the South Tees area are outlined in the South Tees Area Supplementary Planning Document (May 2018) ("**SPD**"). The Local Plan and SPD set out the development policies that apply to new proposals for development within the South Tees area.

2.3 BSL considers that the Application is inconsistent with the following Local Plan and SPD policies:

2.3.1 **Local Plan Policy LS4: South Tees Spatial Strategy:** This policy (which applies to PD Ports) provides that the Council and its partners will aim to, among other matters:

"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;[...]

j. support the existing steel industries and take a lead role in supporting the future regeneration of former steel sites as part of the STDC."

2.3.2 **Local Plan Policy TA2: Improving Accessibility STDC1, STDC5 within and beyond the Borough:** Policy TA2 states that the Council will work together with a range of parties to improve accessibility within and beyond the borough, which will support economic, tourism and regeneration objectives for both Redcar and Cleveland and the wider Tees Valley, including working with partners to improve transport links to Teesport and to improve the efficiency of freight access and existing freight interchanges within Teesport.

Commentary accompanying the policy emphasises the opportunity to increase the Teesport's share of the freight market, which would help relieve congestion at southern ports, and assist Teesport to develop in terms of its size, the freight handled and economic benefits.

2.3.3 **SPD Development Principle STDC1: Regeneration Priorities:** Principle STDC1 identifies that two of the key priorities for the South Tees Area is to *"promote and support the expansion of existing port facilities and new port related development"* and *"deliver connectivity across the South Tees Area through enhanced on-site infrastructure and optimal functionality, making the best use of existing transport infrastructure and developing new or upgraded facilities when required"*.

2.3.4 **SPD Development Principle STDC4: Economic Development Strategy:** Principle STDC4 outlines that the Council, in partnership with the STDC, *"support the economic*

development of the South Tees Area for specialist industries" and "support the growth and expansion of existing operators".

3. IMPACT ON BSL SITE AND OPERATIONS

- 3.1 The Mill has been in operation over 60 years and it currently employs over 450 people in the hot rolling and finishing of steel structural sections for use in the construction industry. BSL continues to invest significantly in the plant and the South Tees region and has recently increased production volume and employment levels and has planned further future investment in the Mill to increase production capacity.
- 3.2 The Mill supplies to UK and worldwide markets including stockholders and building fabricators / end-users. The Mill is the only UK based manufacturer of large beams and columns used in the UK construction industry. The Mill has supplied its steel products to an extensive range of prestigious UK and international projects and applications, including the Millennium Stadium, Wembley Stadium, The Shard and Heathrow Terminal 5, and as such is a strategic asset for the UK construction industry and is well-positioned to play a significant role in the construction of HS2, the Hinkley Point C nuclear power station, and the future expansion of Heathrow. Alongside its construction function, the Mill also includes the Teesside Service Centre which provides a national hub for the processing, and distribution of structural steel for construction applications and is responsible for managing and distributing around 100,000 tonnes of the company's construction steel stock from the Mill, the sections mill in Scunthorpe, North Lincolnshire, and the Skinningrove steelworks, North Yorkshire.
- 3.3 The current production level currently exceeds 0.6 million tonnes per annum, with capacity for increasing this to 1.0 million tonnes. BSL imports raw slab steel by rail from its Scunthorpe site for use at the Mill and is well positioned on the logistics network with close proximity to the Network Rail Main Line, PD Ports and the Redcar Bulk Terminal and the national road network, allowing products to reach UK, European and global markets quickly. The facility is therefore reliant on preservation of the existing, favourable rail and road connections in South Tees for its operational viability.

Impact on BSL operations and use of PD Ports

Export activities

- 3.4 BSL currently exports 45,000 tonnes per quarter (180,000 tonnes annually) of finished product from the Mill, equating to a significant annual value. As the Redcar Bulk Terminal can only be capable of importing bulk materials (i.e. coal and iron ore), finished products are exported via various ports including, AV Dawson's and PD Ports Teesport ("**Teesport**"). Currently BSL exports its finished materials from Dawson's Wharf in Middlesbrough; however, this arrangement is subject to monthly review and BSL will choose to export from another port if a more cost-effective arrangement can be secured.
- 3.5 Teesport currently presents a viable option to BSL given its close proximity to the Mill and its ability to offer both vehicular and railway access via internal routes from the Mill directly to Teesport, without the need for freight to travel along the public road (Tees Dock Road) or railway network. These internal routes (shown in yellow in Appendix 2) provide BSL direct access from the Mill to Teesport across the Site. These routes, which are critical to the economic viability of the Mill, present significant cost benefits because they allow BSL to utilise on-site BSL-owned vehicle and

trains to transport the finished materials, avoid usage charges by Network Rail, and avoid the potential safety risks and costs of large external haulage trucks having to access the public highway.

- 3.6 The Application, if granted, will result in the closure of these internal routes which will have significant adverse impacts to BSL's operations and the commercial viability of Teesport to BSL. With the removal of the current access, BSL would have to access PD Ports either via:

3.6.1 Lackenby Gate, the A1085 Trunk Road and Tees Dock Road or (once the Site has been completed) the A66 and South Dock Road through the middle of the Site; or

3.6.2 the public railway network (which is not a direct route but requires trains to first enter into the TCT2 Teesport Container Terminal and then double back into PD Ports and subject to Network Rail charges).

- 3.7 These alternative routes would significantly increase BSL's export costs which would ultimately require BSL to increase the cost of its finished product to the end consumer. Increases of this nature inevitably have knock-on effects to BSL's bottom lines and could result in a reduction in production overall and potential job losses, as well as BSL's optionality to choose between export locations and secure the best commercial deal. These impacts would undermine the objectives in Local Plan Policies LS4 and TA2, and SPD Principles STDC1 and STDC4 which require the Council and its partners in advancing new development to support the growth and expansion of existing operators, increase the efficiency of transport links to Teesport, and ensure the best use of existing infrastructure.
- 3.8 In addition to the adverse impacts on BSL, the Application would have an adverse impact on Teesport itself as it would no longer be a commercially viable export location for BSL. BSL's export business is significant and so a loss of a customer this size (with the potential to increase export activities in future) represents a significant loss for Teesport. This outcome is contrary to the objectives of Local Plan Policies LS4 and TA2, and SPD Principle STDC1 which aim to support the expansion and protection of the port sector and assist Teesport to develop in terms of its size, the freight handled and economic benefits.

Future import and export activities

- 3.9 The Mill has the potential for a number of redevelopment opportunities which could expand beyond its current operational capacity through significant investment in the plant and surrounding infrastructure.
- 3.10 BSL has committed to installing two electronic-arc furnaces at the Mill which will enable it to import scrap metal to produce raw slab steel directly, rather than producing this at its Scunthorpe site and transporting it by rail for use at the Mill. The current production level at the Mill is approximately 0.6million tonnes per annum, however, the new furnaces and steelmaking on site would support production at the Mill increasing to 1.0million tonnes per annum as well as the potential to increase again to a total 2.0million tonnes per annum.
- 3.11 While future BSL imports could be through the Redcar Bulk Terminal, PD Ports does have also capacity to accommodate BSL's import activities. However, if the current access is to PD Ports is removed through the Application, then PD Ports would not be a viable import location to BSL. This would be contrary to Local Plan Policies LS4 and TA2, and SPD Principle STDC1 which aim to

support the expansion and protection of the port sector and assist Teesport to develop in terms of its size, the freight handled and economic benefits.

4. DISCUSSIONS WITH STDC

- 4.1 BSL has had preliminary discussions with STDC over the protections necessary to safeguard BSL's operations at the Mill and access to PD Ports. As noted above, BSL is not opposed to the regeneration proposed in the Application; however, it just seeks assurance that its operations will not be materially impacted by it.
- 4.2 BSL and STDC have a good working relationship and BSL is currently engaging with STDC to enter into an agreement which ensures BSL's current access to Teesport continues to be protected throughout the construction and operation of the Proposed Development. However, until such time as that agreement is actually entered into by BSL and STDC, BSL is unable to withdraw its objection to the Application.
- 4.3 BSL will work proactively with STDC over the coming weeks to seek to agree the arrangements necessary for it to withdraw its objection.

5. CONCLUSION

- 5.1 For the reasons set out in this objection, BSL has significant concerns that the Application will materially impact the current access to Teesport and BSL's operations at the Mill and its continued operation as the UK's sole manufacturer of large beams and columns used in the UK construction industry. The removal of BSL's current access will mean that Teesport is no longer a viable export and import location for BSL.
- 5.2 As noted above, BSL will urgently engage with STDC with a view of reaching agreement on the protections necessary for BSL to withdraw its objection.
- 5.3 The Council is therefore requested to reject the Application.
- 5.4 If the Council is minded to grant the Application, BSL requests that the Council imposes a condition on the permission requiring the internal access to Teesport to be maintained at all times during construction and operation of the Proposed Development.

Yours sincerely

Damian Hargreaves
Legal Director
British Steel Limited

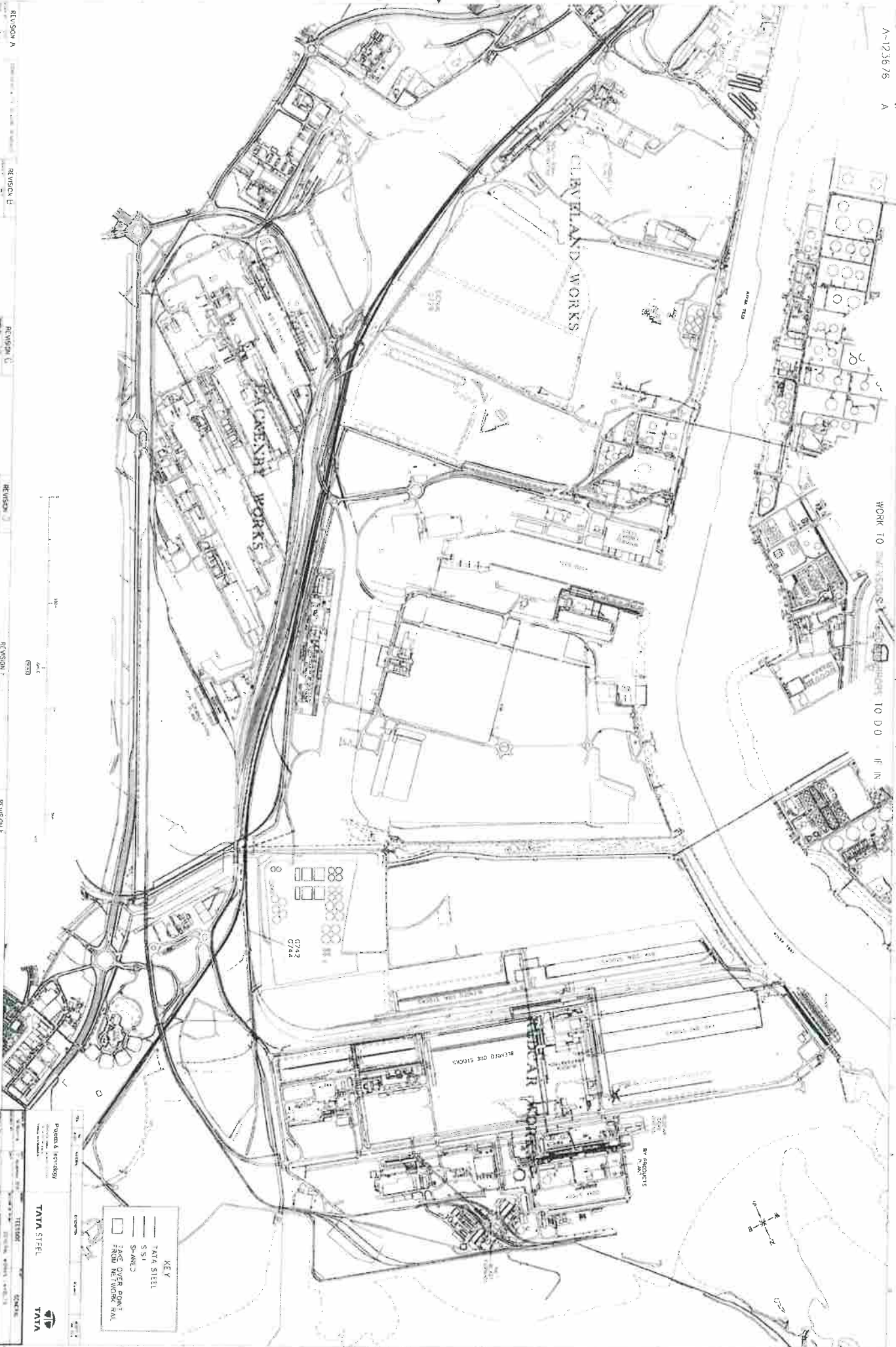
Appendix 1: BSL Site Ownership

Appendix 2: Current BSL access to PD Ports

Appendix 1: BSL Site Ownership



WORK TO BE DONE IF IN



KEY

—	TATA STEEL
—	S.S.I.
—	S-WALC
□	FAC OVER GATE FROM RETROFIT WALL

Project & Agency
TATA STEEL



REVISION	DATE	BY	CHKD	APP'D
REVISION A				
REVISION B				
REVISION C				
REVISION D				
REVISION E				
REVISION F				
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