

## STONE HILL PARK LTD – RESPONSE TO EXA’S WRITTEN QUESTIONS

**PINS APPLICATION REFERENCE: TR020002**

Below we provide responses to all written questions directed to Stone Hill Park Ltd. Comment is also made in respect of question ND.1.41.

G.1.9	<p><u>Stone Hill Park Ltd [RR-1601] planning application to TDC</u></p> <p>Manston Airport is being promoted for redevelopment for housing and mixed use scheme.</p> <p><b>What is the current status of this proposal?</b></p>
SHP Response	<p><i>SHP’s enhanced masterplan planning application was submitted in May 2018 (ref. OL/TH/18/0660). A full summary of SHP’s proposals, which represents the culmination of more than two years of continuous engagement with the local authority, statutory consultees and the local community regarding the future of the site, is included in section 4 of the Case for Housing prepared by Avison Young (Appendix 3 to SHP’s Written Representations). An extension of time to the target date for determination was agreed with Thanet District Council in December 2018.</i></p>

CA.1.17	<p><u>Acquiring by voluntary agreement</u></p> <p>DCLG Guidance related to procedures for the compulsory acquisition of land (2013) advises at paragraph 25 that, as a general rule, authority to acquire land compulsorily should only be sought as part of an order granting development consent if attempts to acquire by agreement fail.</p> <p><b>i. Set out the nature, timing and outcomes of any negotiations held with the Applicant and/or their agents in respect of the purchase of land and/or rights a) before 17 July 2018 and b) to date</b></p> <p><b>ii. Set out an evaluation of the current probability of acquiring land and/or rights by agreement.</b></p>
SHP Response	<p><u>Prior to 17 July 2018</u></p> <p><i>The Applicant took over as promoter of the DCO in December 2016. The correspondence (as detailed in the attached schedule) demonstrates that the Applicant failed to make any effort to engage until 9 February 2018, when it sent a pro-forma letter to SHP, of the type sent to all land owners. This is despite RSP’s lack of engagement being clearly set out in SHP’s legal adviser’s letters to the Planning Inspectorate (and copied to RSP’s legal advisers, BDB) dated 11 October 2017, 13 November 2017 and 15 December 2017 and SHP being the current freehold owner of the vast majority of the Order Land. Copies of these letters to the Planning Inspectorate were included as appendices 7, 8 and 10 to SHP’s Relevant Representations (RR-1601).</i></p> <p><i>At the time of the 9 February 2018 letter, RSP were making statements about its plans to submit its application in March 2018, and the letter appeared, and subsequently proved to be, no more than a box ticking effort rather than any meaningful attempt to engage properly with SHP.</i></p> <p><i>The attached correspondence between SHP and BDB (dated 15 March 2018 and 9 April 2018) demonstrates that SHP was willing to engage constructively on a lease proposal,</i></p>

*which would have provided RSP with an opportunity to achieve its ambitions for the site, but would include restrictions on night flights, future residential development and certain buy back provisions – RSP had publically claimed they had no need for night flights, nor any desire to pursue residential development. Should RSP's airport scheme have failed (as SHP was, and remains, certain it would), it would allow the community to unite behind the regeneration of the site in a manner that would help address the district's housing, and employment needs as well as honouring Manston's aviation heritage. It would also protect against development on Thanet's protected and valued greenfield sites.*

*We would refer the ExA to the attached letter of 9 April 2018 (from SHP to RSP's legal advisers, BDB) which provides a summary of separate discussions that were held between SHP and RSP during February and March 2018. The letter makes reference to the RSP director advising that an offer in excess of £25m would be deliverable, and then subsequently back tracking from this position as explained in the letter.*

*As can be seen from the correspondence, RSP/BDB failed to engage constructively and did not even acknowledge the letter from SHP of 9 April 2018. There was no other engagement from RSP prior to its second DCO application being submitted in July 2018.*

*It is clear that RSP materially failed to comply with requirements of the relevant Guidance to undertake substantive attempts to acquire by agreement.*

#### *After 17 July 2018*

*The attached schedule sets out formal correspondence with RSP's advisers post acceptance of the DCO application. A summary of this correspondence is noted below together with details of parallel discussions between RSP and SHP (initiated by RSP in October 2018).*

*When the nature of the discussions between the parties are fully considered, it is clear that RSP's approach has been inconsistent at best.*

*The attached letters speak for themselves in demonstrating RSP was using its advisers to engage with SHP as a box ticking / file building exercise rather than any meaningful attempt to engage constructively on acquiring the land by voluntary arrangement. The most important letter is the one from CBRE dated 10 October 2018, which included numerous inaccuracies and outlined RSP's offer of £2.5m to acquire SHP's land interests. The level of the offers to acquire fell so far below the value of the site and the compensation obligations associated with the DCO that they materially fail to constitute reasonable attempts to acquire by agreement. Further detailed supporting evidence is included in the report from Avison Young that is attached as Appendix 6 to SHP's Written Representations*

*The CBRE letter of 10 October 2018 was issued less than a week after RSP directors had initiated direct discussions with SHP where they confirmed RSP would offer to acquire the freehold of SHP's land for a total consideration of £20m. Under the terms of its offer, RSP agreed to provide SHP with the benefit of a restriction preventing any future residential development on site. The written acceptance of this restriction clearly demonstrates that the unencumbered value of the site is much higher than £20m. The inclusion of the restriction also provided a direct route for SHP to be involved in the future*

*residential led mixed use regeneration of the site should RSP's proposed Scheme fail (as SHP remains certain it would). RSP confirmed its offer (which was not subject to conditions) in writing and provided an evidence of funds letter.. The letter claimed to show that an unconnected Luxembourg registered company and described as the Applicant's "Funding Partner" had funds that could be made available to complete the acquisition. The Luxembourg company does not appear in the Funding Statement for the Project.*

*The discussions were not held on a "without prejudice" basis, although they were subsequently covered by a confidentiality agreement, the provisions of which have largely expired.*

*We draw to the attention of the ExA the offer of £20m (subject to restrictive covenants in favour of SHP), which highlights that CBRE's letter of 10 October 2018 and RSP's Funding Statement position materially fail to meet the promoters obligation to undertake reasonable attempts to acquire by agreement, provide sufficient funds to demonstrate certainty of delivery and appropriately take account of acquisition costs in RSP's overall project business case.*

*We would also bring to the ExA's attention that CBRE "valuation advice" formed the basis of calculating the £7.5m figure set out in RSP's Funding Statement (identified as the maximum compensation payable and associated costs for all land that RSP is seeking to compulsory acquire as part of its application, not just SHP's land). It should be noted that this figure also included an allowance for other interests including the Jentex land, which RSP has subsequently acquired for £2.3m as set out in the Land Registry documentation. For comparison, the Jentex land (comprising a fuel storage area) extends to c.4.5 acres, which is less than 1% of the land interest held by SHP, and can hardly be considered to be more important to its project than an existing runway that would save RSP tens of millions of pound in development costs. This further demonstrates the lack of credibility of RSP's Funding Statement.*

*SHP has maintained a healthy degree of scepticism regarding both the motivations behind RSP's approach and its ability to deliver on any proposal it makes.*

*To date, RiverOak (in its various guises and including RSP) has demonstrated itself to be an unreliable counterparty and, we have no confidence that they have the ability, willingness or sufficient funds to acquire the land. The recent statements made by RSP at Deadline 1 regarding a restructuring of RSP's shareholding, and failure to meet Deadlines set by the ExA (resulting in yet further delay to Interested Parties receiving the information which should have formed part of the original application), highlight again the lack of visibility of the funding sources and capacity to deliver the Scheme and meet any compensation obligations.*

*Although RSP have undertaken some negotiations to acquire, these have been undertaken in an inconsistent and opaque manner well below the standard reasonably required by the Guidance.*

*It remains important to note that SHP acquired the site as a failed commercial airport in 2014 and has committed considerable resources into delivering a mixed use residential led regeneration which will be key to meeting local housing need. SHP has a live planning application under consideration by TDC. Independent advice secured by TDC in 2016*

	<p><i>agreed with SHP's view that airport uses were unviable leading Council planning officers to recommend allocation of the site for mixed use development, which would likely be more advanced now if RSP's proposals did not exist. As explained in The Case for Housing prepared by Avison Young (Appendix 3 to SHP's Written Representations), "the effect of the DCO application has been to exclude this important site from plan-making, delaying redevelopment of a site which would otherwise deliver a large proportion of the District's housing need, which is pressing and acute."</i></p> <p><i>SHP has engaged in reasonable negotiations with RSP in accordance with the Guidance, and SHP's approach has reflected SHP's continued desire to deliver the regeneration scheme and the knowledge that RSP's proposed airport scheme is undeliverable.</i></p>
--	--

CA.1.18	<p><b>Acquisition by voluntary agreement</b></p> <p>Paragraph 8.37 of the Statement of Reasons [APP-012] states that:  <i>"Most of the land within the existing airport perimeter is owned by Stone Hill Park Limited, who have been unwilling to date to enter into meaningful negotiations with RiverOak, despite RiverOak's attempts to acquire this land by agreement."</i></p> <p><b>Comment on the Applicant's assertion that Stone Hill Park Limited have been unwilling to date to enter into meaningful negotiations with RiverOak.</b></p>
<i>SHP Response</i>	<p><i>As set out in the answer to CA.1.17 above, it is clear that SHP (whose land forms substantially all of the land to which the project relates), has not been unwilling to engage. To the contrary, it is RSP that failed to make any reasonable efforts and, it is beyond doubt that RSP failed in its duty to only seek compulsory purchase powers as a last resort. SHP has long held serious concerns regarding the motives of RSP in engaging with us. In view of the bleak prospects for aviation at Manston, the lack of any track record amongst RSP's key principals, and the opaque ownership / funding structure (that appears to be constantly evolving but has not yet been disclosed), we have approached discussions in good faith, but with a healthy degree of scepticism.</i></p>

CA.1.23	<p><b>Operation Stack:</b> The ExA notes that, at paragraph 12.18 of the Statement of Reasons [APP-012], the Applicant states, in relation to 'Operation Stack' that:</p> <p><i>"Following diligent inquiry RiverOak has received no evidence to suggest that any interest in land [by the Secretary of State for Transport] is still in being and there is no evidence that the Secretary of State for Transport is in occupation."</i></p> <ul style="list-style-type: none"> <li>• <b>Set out the nature of any agreement with the Secretary of State for Transport in respect of Operation Stack and other relevant operations, including in your response any reference to s44 and/or 57 of PA2008 that may be relevant.</b></li> </ul>
<i>SHP Response</i>	<p><i>There is an existing Parking Services Agreement ("PSA") between Stone Hill Park Ltd and the Secretary of State for Transport ("DfT") to facilitate the provision of certain parking services on part of the site of the former Manston Airport to alleviate pressure on the arrangements known as "Operation Stack" or its successor arrangements. Please note that the agreement does not cover the Northern Grass area.</i></p>

	<p><i>Upon notice from DfT, Stone Hill Park Ltd, as service provider, is required to immediately begin providing (or procuring the provision of) the parking services.</i></p> <p><i>Accordingly, we would like to bring to the Examining Authority's attention that it may be necessary for Stone Hill Park Ltd to restrict access to the site without any notice should the site be required for any purpose under the PSA.</i></p> <p><i>Planning permission for the uses on the site was initially covered in The Town and Country Planning (Operation Stack) Special Development Order 2015. It has been augmented by successor orders, and most recently by The Town and Country Planning (Manston Airport) Special Development Order 2019, which inter alia, grants planning permission until 31st December 2020, subject to limitations and conditions, for development consisting of use of land at Manston Airport for the stationing of goods vehicles and associated uses.</i></p> <p><i>We are not aware of whether the agreement has any relevance to s44 or s57 of PA2008. We would note however that we made the Applicant's advisers aware of the agreement with DfT in November 2017, and trust that they have made diligent enquiry of the DfT on these matters.</i></p>
--	---

CA.1.42	<p><b><u>Special Category Land</u></b></p> <p>The ExA is minded to recommend that the circumstances set out in s131(4) or 132(4) related to replacement land; 131(5) or 132(5) relating to area, or use and necessity of replacement land; 131(4A) or 132(4A) relating to availability of replacement land and public interest for a speeded procedure; or 131(4B) or 132(4B) relating to acquisition for a temporary purpose do not apply in relation to plots 185b, 185c, 185d, 185f.</p> <p>• <b>Show any evidence to the contrary.</b></p>
<i>SHP Response</i>	<i>SHP has no evidence to the contrary.</i>

CA.1.43	<p><b><u>Special Category Land</u></b></p> <p>PA2008 s132(3) states that this subsection applies if order land, when burdened with the order right, will be no less advantageous than it was before to the persons in whom it is vested, other persons, if any, entitled to rights of common or other rights, and the public.</p> <p>• <b>Set out your reasoned opinion as to whether this subsection is fulfilled in the case of the Special Category Land at plots 185b, 185c, 185d, 185f.</b></p>
<i>SHP Response</i>	<i>SHP has no evidence to the contrary.</i>

ND.1.41	“The RR from Pinsent Masons LLP on behalf of Stone Hill Park Ltd [RR-1601] estimates that there were less than 18,000 non domestic cargo ATMs for England and Wales in 2017. <b>Do you agree with this estimate?”</b>
<i>SHP Response</i>	<i>We would respectfully note that the estimate of c.18,000 set out in paragraph 2.2.6 of RR-1601 relates to daytime non domestic cargo ATMs (i.e. it excludes the estimated level of non-domestic <u>night time</u> cargo ATMs at East Midlands and Stansted airports, a part of the market RSP have stated that they do not intend to target). However, we trust that in preparing its response, Azimuth will have reviewed the underlying RR-1601.</i>

## APPENDIX

### SCHEDULE OF CORRESPONDENCE REFERRED TO IN SHP RESPONSE TO QUESTION CA.1.17

---

Date	Parties
09/02/2018	Letter from BDB to SHP
15/03/2018	Letter from SHP to BDB
21/03/2018	Letter from BDB to SHP
09/04/2018	Letter from SHP to BDB
16/08/2018	Letter from BDB to Pinsent Masons (acting on behalf of SHP)
16/08/2018	Letter from BDB to Pinsent Masons
03/10/2018	Letter from GVA to CBRE
10/10/2018	Letter from CBRE to GVA
14/12/2018	Letter from GVA to CBRE
02/01/2019	Email from GVA to CBRE
02/01/2019	Email from CBRE to GVA
08/02/2019	Email from CBRE to GVA







BIRCHAM DYSON BELL

RiverOak would be happy to meet with you to discuss its proposals further and we would ask that you contact [REDACTED] Senior Director of CBRE – Planning & Consultancy Purchase, Henrietta House, Henrietta Place, London, W1G 0NB or by email at [REDACTED] so we can discuss further.

Please note that RiverOak would be prepared to pay reasonable legal and surveyor's costs in relation to voluntary agreements, and would aim either to acquire your Land now or create an option to acquire such rights to be exercised should the DCO be granted.

In the event that you no longer have an interest in the Land, or there has been a change in occupiers, please let us know, by contacting us at the address provided below.

We look forward to hearing from you.

[REDACTED]  
Bircham Dyson Bell

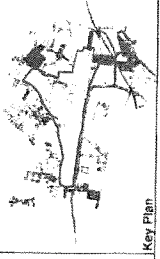
cc

The Company Secretary  
Stone Hill Park Limited  
Innovation House  
Innovation Way  
Discovery Park  
Sandwich  
CT13 9FF

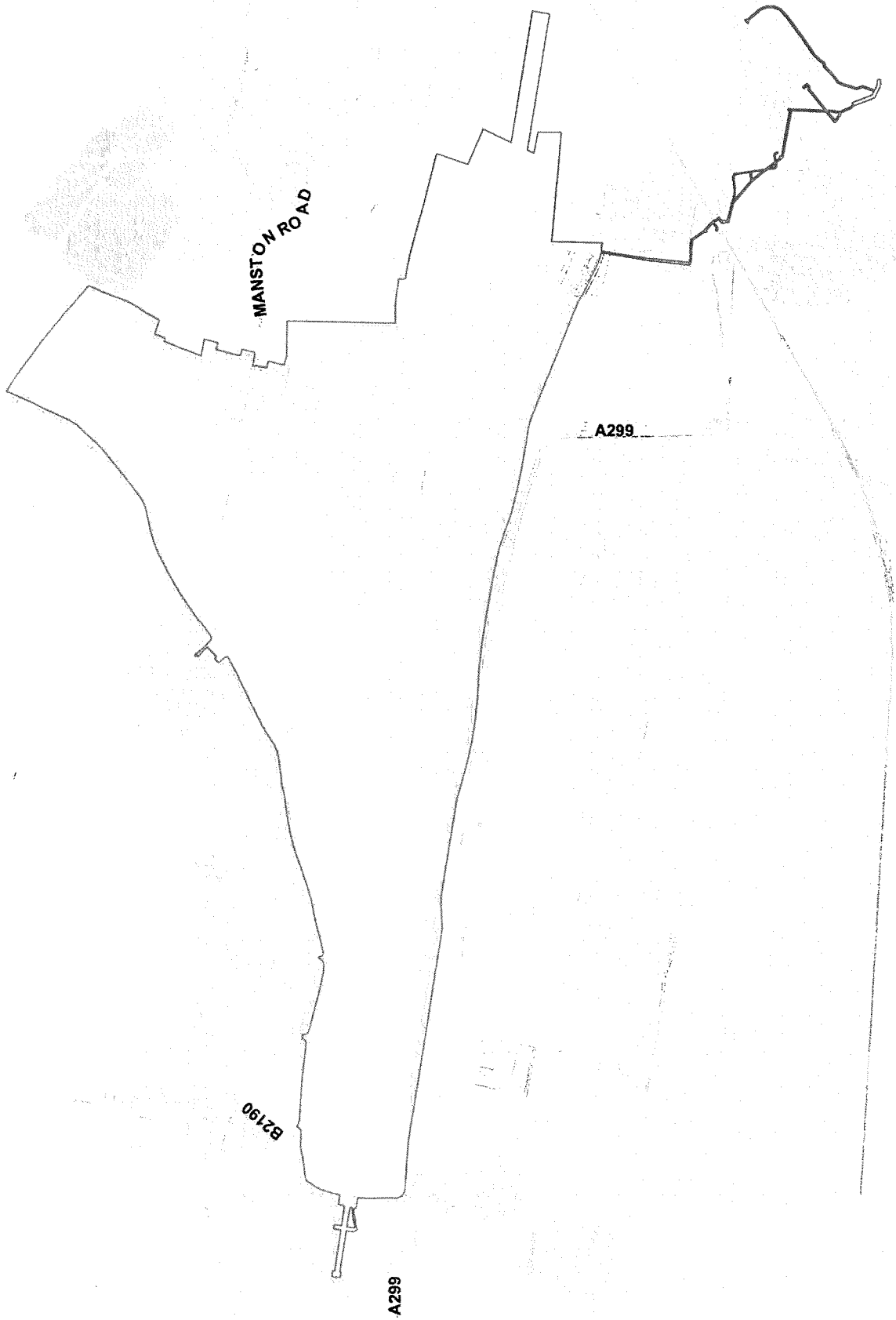
enc



# Land Interests Proposed Manston Airport Development Consent Order



Key Plan



Notes  
1. OS Data obtained from emaps™ May 2017  
© Crown copyright and database rights 2017  
Ordnance Survey 010001673

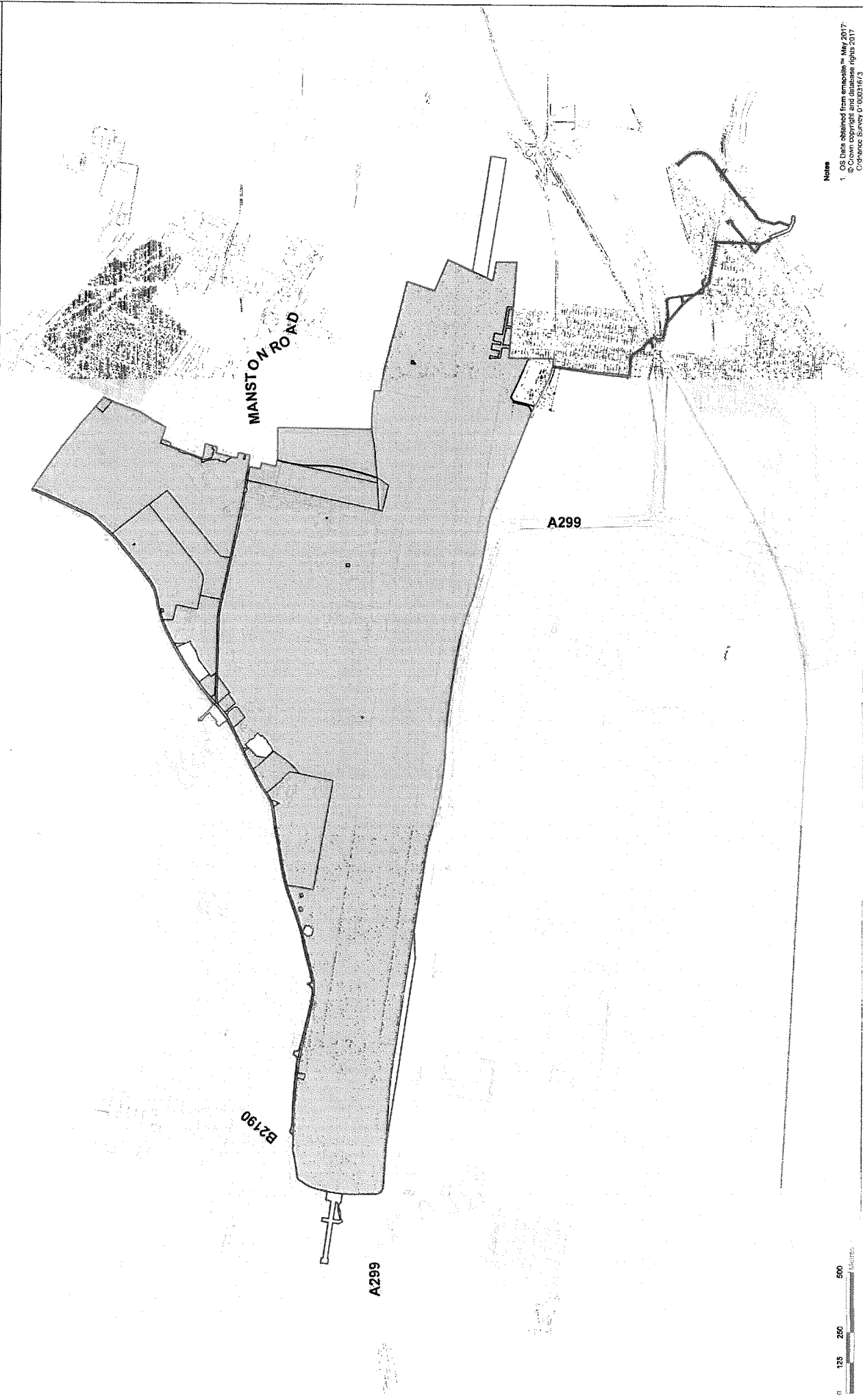


# Land Interests Proposed Manston Airport Development Consent Order

RSP



Key Plan



0 125 250 500  
Metres

**Notes**

- 1. OS Data obtained from Emapiasite™ May 2017;  
© Crown copyright and database right 2017;  
Ordnance Survey 010003171/3

Baldwins Wynyard Park House, Wynyard Avenue, Wynyard, TS22 5TB

---

Bircham Dyson Bell LLP  
50 Broadway  
London  
SW1 0BL

Your Ref: EPP/JYD/166055.0007

Date: 15 March 2018

Dear Sir/Madam,

**Proposed Manston Airport Development Consent Order**

We refer to your letter of 9 February 2018 with regard to your client's, RiverOak Strategic Partners Limited (RSP), proposed DCO application and note your comments suggesting the possibility of a consensual acquisition by RSP of our interest in the lands at the former Manston Airport prior to RSP's intended submission of its DCO application.

In the letter you state that *"RiverOak's intention and preference is to acquire the land and land rights required for the project by voluntary agreement with affected landowners and occupiers."*

For the record, notwithstanding that RSP has been working on its DCO application for more than a year and bearing in mind the guidance governing the DCO process, RSP has so far made no attempt to acquire SHP's land by voluntary agreement.

If RSP does, in fact, have the backing of quality investors prepared to commit significant funds to a highly speculative proposal at the former Manston Airport (and we have seen no evidence of that), then it seems very strange to us that RSP has made no attempt to acquire the site which would materially de-risk its business plan in terms of delivery, timing and cost.

Consequently, we are of the view that this approach is not a serious attempt to negotiate on a consensual basis but more of an attempt to undertake a box ticking exercise to try and demonstrate to the Planning Inspectorate that RSP has attempted to engage with SHP on acquiring the land by voluntary agreement.

It is unfortunate that the only letter we have received from you, on behalf of your client, appears to seek to place the onus on SHP to provide the structure of any voluntary agreement when it is RSP that should be demonstrating that it has the necessary resources in place to fund an agreement and propose an offer for SHP to consider.

The management team behind SHP remain great believers in the potential of East Kent. That is why they purchased Discovery Park, it is why they acquired the site at Manston Airport and it is why they have invested so much time and money in progressing the regeneration of the site.

In the years of SHP's ownership of Manston Airport there has been no evidence that a viable aviation operation can be sustained at the site nor have there been any approaches from established or credible aviation operators. This experience was not unexpected and was reflective of a repeated history of failed commercial operations, a two-year sales process by Infratil and the conclusions reached by the planning officers of Thanet District Council through their own independent expert aviation viability report.

Hence, we have come to the view that the most appropriate opportunity to deliver successful regeneration at the airport site is the mixed-use scheme we have been promoting. We continue to progress these plans and an enhanced planning application for the new mixed-use settlement will be lodged shortly. This will incorporate feedback and suggestions from what has been a very positive public consultation process. The enhanced plan has gained strong local support and will help deliver the thousands of new homes and jobs that are needed for the community.

That said, we are very conscious that the future of Manston Airport has become a very highly charged, divisive and emotive local issue where "fact and analysis" come into direct conflict with "hope and belief".

It has directly led to the District's long overdue Local Plan being voted down. This was a Local Plan which was strongly recommended by professional officers, was based on a solid evidence base and was judged by a former planning inspector as being "sound". This failure to deliver a Local Plan has in turn led directly to the collapse of the Council's administration and has created circumstances where the MHCLG could step in and take over Thanet's Planning process rather than have a locally led process.

We and our advisory team continue to strongly believe, based on all available evidence, that the RSP proposals for aviation use are not a credible or viable option at the site and we will continue to strongly defend that position through the DCO process to protect, what we consider, to be the most appropriate plans to regenerate the site, which is in the best interests of Thanet and Kent and will create thousands of homes and jobs for the local community. Indeed, the aviation evidence from a range of recognised industry experts (York Aviation, Altitude Aviation and AviaSolutions) against a reopened Manston being viable is so compelling, we continue to believe that RSP's plans are a blatant misuse of the Planning Act 2008, pursued only to secure compulsory acquisition powers over the site and that they can have no intention of developing out the plans consulted on in January and February 2018. We will maintain this position throughout the DCO process.

However, given RSP's apparent willingness to speculate a stated £10m of professional fees in pursuing a highly uncertain outcome, we would like to understand if RSP's investors are serious about making an offer, despite the evidence to the contrary.

Consequently, and without prejudice to our position as set out in previous correspondence, we are willing to consider an arrangement that provides RSP with a clear opportunity to seek to achieve its ambitions for the site, even though our belief and all the credible evidence is that they will fail.

If such an arrangement is accepted, RSP should be able to progress its plans immediately as RSP would inherit the site's existing unconstrained aviation status, allowing immediate progress with the CAA licensing process, which would otherwise require to be put on hold until the site was in RSP's ownership and would avoid the delay and expense of a DCO (for the reasons we have previously expressed in our letters of October and November 2017 to the Planning Inspectorate).

So if delivering aviation at the site is RSP's real objective this proposal (see further below) should be very attractive.

### **The Proposal**

SHP would be prepared to offer a long leasehold interest of the required land and infrastructure at Manston Airport to RSP on the following terms;

- **Term:** 125 years (quasi-freehold)
- **Payment terms:** (i) an upfront Lease Premium payment and (ii) ongoing Annual Rent payable quarterly in advance (current rent receivable from DfT and other tenants would be retained by RSP)
- **Rent Reviews:** Rent subject to upward only rent reviews
- **Security:** appropriate comfort as to the covenant strength of the long leaseholder
- **Alienation / Forfeiture:** standard for a long leasehold lease of this nature but landlord consent matters will be limited to use classes in order to provide for operational flexibility (e.g. only aviation related uses and associated industrial/business space uses will be permitted).
- **Night Flights:** It is recognised that this is a very contentious issue in the area for which there is little local support. Hence, to provide comfort and protection to the local community we propose that the lease will contain appropriate restrictions over night flights. We envisage these restrictions would either need to be for no night flights or be in line with RSP's public statements regarding their very limited need for night flights.
- **Buy Back Option:** Should aviation operations not have commenced within a reasonable period (i.e. RSP failing to deliver against appropriate agreed milestones to deliver on its plans), the freeholder will have the right to acquire the long leasehold interest at a price equivalent to the lease premium.

### **Why is SHP willing to enter into an arrangement of this nature?**

As is clear, SHP fundamentally does not consider that RSP's plans are credible. All the reports we have commissioned and the Council's own evidence on this point are very clear, as are the Government's own projections for cargo flights. The claimed need and viability cases that RSP has presented are so seriously flawed (see for example the York Aviation report assessment which has been disclosed to you), that we cannot see any circumstances where RSP will be able to secure the levels of investment required to deliver its proposed plans to reopen the airport.

Hence, SHP fully expects to be able to take forward its plans when RSP's plans for reopening the airport have failed, thereby triggering SHP's Buy Back option.

If RSP did proceed on this basis but there was, as we expect, yet another failure to make aviation viably work, we would hope the whole community (including all airport supporters) would then be able to unite behind the regeneration of the site in a manner that will help address the district's fundamental housing, employment and leisure needs, whilst also honouring Manston's aviation heritage.

In order to help progress the Local Plan, SHP would engage with stakeholders to ensure these arrangements could be incorporated in a way that minimises the requirements to develop on "greenfield" sites across Thanet i.e. aviation use on land which is required for the proposals could be

safeguarded for an appropriate period, thereafter being available for mixed use development should the DCO aviation proposals fail to be delivered.

RSP have stated they have invested over £7m to date in developing their plans with a further £3m still to be spent during the DCO process. If that is the case, this seems a highly speculative attempt to secure another private entity's land but, if RSP's proposals are in any way credible, then a long leasehold interest on the structure outlined above provides a clear opportunity for them to accelerate their plans, at less cost and less risk.

However, if RSP and its investors' actual intent is, as has been long suspected, to really try and secure the c.800-acre site compulsorily for longer term residential development under the guise of a DCO process, then we appreciate RSP may have concerns in relation to any restriction against residential use. Such a reaction would, though, shine a light on RSP's true intentions for the site.

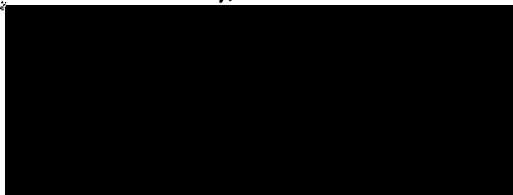
Over the last year we have heard numerous confident statements about the strength of RSP's investors and their commitment to the project, albeit RSP has provided no detail other than their 90% shareholding is held through the Belize based company M.I.O. Investments Ltd on which very little is known. It is time for RSP and its investors to "put up or shut up".

For avoidance of doubt, SHP has no desire to sell this site and remains entirely committed to its plans to regenerate the site for the benefit for the community. But if RSP is serious about its proposals, our offer seeks to provide a framework that allows for the resolution of a contentious issue that has split the local community and its elected representatives and should draw a line under the position one way or the other. If RSP fails to engage with us on this basis, the position will be clear that it is not serious about its proposals.

In view of the high-profile nature of the site and ongoing processes, we will be writing to the Council and to Central Government explaining our position and confirming that we remain committed to the regeneration of the site for a mixed use new community in a manner that is wholly consistent with Government policy and priorities.

We look forward to kindly receiving your response within 14 days of the date of this letter.

Yours faithfully,



**Director**

**Stone Hill Park Limited**

cc

The Company Secretary  
RiverOak Strategic Partners Ltd  
Audley House  
9 North Audley Street  
London  
W1K 6WF



BIRCHAM DYSON BELL

[REDACTED]  
Director  
Stone Hill Park Ltd  
Baldwins Wynyard Park House  
Wynyard Avenue  
Wynyard  
TS22 5TB

Your Ref

Our Ref  
ADW/166055.0003

Date  
21 March 2018

**By Email**

Dear Madam

**Proposed Manston Airport Development Consent Order**

Thank you for your letter of 15 March, which gives us the opportunity to clarify several aspects of our clients' project and seek clarification from you in turn.

Negotiations

The history of negotiating the acquisition of your company's land is as follows. Our clients' predecessor company, RiverOak Investment Corporation LLC, made an offer to you in June 2016 that was refused. When RiverOak Strategic Partners Ltd ('RiverOak') carried out a statutory consultation on their proposals in June-July 2017, Stone Hill Park Ltd ('SHP') replied to state in terms 'the current landowner does not intend to sell the land', which suggested to us that negotiation would not be welcomed. On 9 February 2018, we nevertheless wrote to all landowners any of whose land is proposed to be acquired (with whom we were not already negotiating) with an offer to negotiate an agreed acquisition via CBRE, and it is that letter to which you are responding. You seem not to be aware that in recent days, Mr [REDACTED] of RiverOak has been in active discussion with your co-director Mr [REDACTED] about the potential acquisition of the site, and further that Mr [REDACTED] had telephone and text communications with [REDACTED] from July to October last year. It is therefore not correct that RiverOak 'has so far made no attempt to acquire SHP's land by voluntary agreement'.

Effect of voluntary acquisition

You seem to believe that if SHP's land were to be acquired (or a lease entered into) then no application for a Development Consent Order (DCO) would be necessary. That is to misunderstand the triggers for a DCO, which are based on the increase in capability of the airport that RiverOak's proposals would create, and not on the acquisition of land and rights. Even if all necessary land and rights were to be acquired by agreement, a DCO would still be necessary.

16552724.1

50 Broadway London T +44 (0)20 7227 7000  
SW1H 0BL United Kingdom F +44 (0)20 7222 3480  
DX 2317 Victoria W www.bdb-law.co.uk



Furthermore, although SHP owns the majority of the land that is needed for the project, there are several other landowners whose interests must be acquired, and acquiring SHP's land by agreement would not avoid the need for compulsory acquisition completely.

#### RiverOak's intentions

Your letter suggests bad faith on the part of our clients, in that you allege they do not intend to build their project but wish to acquire the site for residential development. We reject those claims as utterly without foundation or credibility. If RiverOak were so intent on developing the site for housing, why did they successfully pursue and defeat your planning appeal to change some buildings on the site away from airport use? Why have they spent so much time and effort in securing the rejection of the local plan amendments that would have seen housing as a possible use for the site? There is nothing to suggest anything but RiverOak's dogged pursuit of an airport project for the entire period of their involvement.

#### SHP's intentions

On the other hand, there is little evidence that SHP are actively pursuing their plans for the site. Having submitted a planning application on 31 May 2016, you have made no progress on it since. You did submit a second planning application in October 2017 and repeatedly talk of a third, but the documentation underpinning all of these applications remains incomplete.

The prospect of changing the use of the site away from airport use, tenuous as it was, is now close to zero. You therefore have no prospect of getting planning permission for the site, never mind securing viable development in this location. We are advised that the market value of the land in the absence of the airport project has fallen and any 'hope value' which pertains is remote, being only a small premium on agricultural value.

#### Lease proposal

RiverOak nevertheless remain willing to acquire SHP's land by agreement, and a lease might be one possible way of achieving this. However, the (currently unspecified) cost of the lease would have to be close to the value of acquiring the land outright in the absence of the DCO project, and any encumbrances attached to the lease would have to allow the development of the site unhindered and equivalent to owning the freehold. For example, restrictions on night flights are something that RiverOak will propose in its application, will be examined closely as part of the DCO examination and will be decided by the Secretary of State for Transport. There is no point in placing conflicting restrictions in any lease and to do so would be unacceptable to RiverOak.

The closer a lease arrangement was to freehold acquisition, and therefore the more acceptable it would be to RiverOak and its investors to allow it to develop the site as an airport pursuant to a DCO, the less value the reversion would be to SHP and therefore the less point there would be in retaining an interest. Outright acquisition by agreement would therefore be the obvious preference for both parties if you are genuinely interested in allowing the airport to be developed by RiverOak.

If in the light of the above points you are still interested in negotiating a sale by agreement, then our clients would be willing to meet to discuss its terms. Please let us know.



Finally, we are sending a copy of this letter to Pinsent Masons as your lawyers but if they are no longer instructed, please advise.

Yours faithfully

[Redacted signature block]

**Bircham Dyson Bell LLP**

[Redacted address block]

**Baldwins Wynyard Park House, Wynyard Avenue, Wynyard, TS22 5TB**

---

BY EMAIL  
Bircham Dyson Bell LLP  
50 Broadway  
London  
SW1 0BL

Your Ref: ADW/166055.0003

Date: 9 April 2018

Dear Sir/Madam,

**Proposed Manston Airport Development Consent Order**

We write in response to your letter of 21 March 2018, received by email at 17.26 seeking clarification on a number of points relative to the above. We note it was your intention to forward a copy of this letter to Pinsent Masons, and for the record, as of today's date they have not yet received that from you. As you are aware, Pinsent Masons are instructed by us and all correspondence should be copied into them please. We are able to handle some matters directly, with appropriate advice, hence we are corresponding with you directly at this stage (though we are equally happy to write to your client as you prefer).

At the outset, we re-iterate our position. It is clear, based on all the available evidence, that the RSP proposals for aviation use are simply not a credible or viable option at the site and we will continue to strongly defend that position through the DCO process as we wish to promote what we consider to be the most appropriate regeneration mixed use for the site which is in the best interests of Thanet and Kent and will create thousands of much needed homes and jobs for the local community.

Indeed, the aviation evidence from a range of recognised industry experts (including York Aviation, Altitude Aviation and AviaSolutions) against RSP's proposals and an attempted reopening of Manston being viable is so compelling, we continue to believe that RSP's plans are a blatant attempted misuse of the Planning Act 2008, pursued only to secure compulsory acquisition powers over the site and that they can have no credible or real intention of developing out the plans consulted on in January and February 2018.

However, dealing with the various points raised in your aforementioned letter, we would respond as follows:-

**1. Negotiations**

- 1.1 Your narration regarding your client's attempts to acquire our site is wholly incorrect. It is a matter of fact and record that your client, RiverOak Strategic Partners Ltd ("RSP"), despite having taken over as promoter of this DCO in December 2016, had not engaged with SHP prior to the pro-forma letter of 9 February 2018. This communication was, we understand, sent to all landowners potentially affected by your Client's DCO. Unlike a number of DCO projects, we are

not the owner of a strip of land that is necessary for a larger infrastructure project, we are the owners of a c.800 acre site that forms almost the entire landmass of your Client's DCO and the pro-forma letter of 9 February 2018 completely fails to recognise this. Recent events have in any event followed on from that letter, as outlined below.

- 1.2 In an attempt to demonstrate that your client, RSP, has satisfied the procedural guidance under the DCO process you also appear to be seeking to rely on previous communication between RiverOak Investments Corporations LLC ("RIC"), despite you being fully aware that this entity is (and was) operated, owned and managed completely independently from RSP. Indeed RIC themselves have publicly made this point clear in their press release of 24 March 2017 where they state that RSP "is not affiliated with RiverOak Investment Corp., LLC," and confirmed that it will have no ongoing involvement in the project.
- 1.3 The lack of any attempt by your client, RSP, to acquire SHP's land by voluntary agreement was clearly set out in our legal adviser's letters to the Planning Inspectorate dated 11 October 2017, 13 November 2017 and 15 December 2017 (which are all in the public domain). RSP did not challenge these statements, with your letter to the Planning Inspectorate of 27 October 2017 only noting that RSP "remains open to any approach by SHP to sell the site." That obviously goes nowhere near seeking to acquire the site by agreement and seeking compulsory acquisition powers only as a matter of last resort. There has been no attempt by your client, RSP, to do so.
- 1.4 Your correspondence continues to assume or suggest that the onus should be on SHP to set out the structure of any voluntary agreement. This is clearly nonsense - it is for RSP to propose a credible offer for SHP to consider and to demonstrate that it has the necessary resources in place to execute such an offer.
- 1.5 Notwithstanding this, following receipt of the pro-forma letter of 9 February 2018, [REDACTED], a Director of SHP, contacted [REDACTED] to establish if this correspondence was anything more than the box ticking exercise we assumed it to be. Indeed, those meetings ended with [REDACTED] confirming that no offer would be forthcoming from RSP and that potential offers which had been made by him during these meetings would not be forthcoming. No offer has therefore been made to acquire the site by agreement [REDACTED] reasoning was that he had received advice that RSP's position regarding the DCO was extremely robust and that he was confident they would win the DCO and acquire our site for significantly less than he had previously said he may be prepared to offer in the earlier meeting with [REDACTED]. We discuss this more fully below.
- 1.6 The first meeting between [REDACTED] took place on 22 February 2018 and was a meeting prompted by the proforma letter of 9 February 2018. [REDACTED] made it clear that SHP wished to progress its proposals for a new settlement (and is doing so with a further planning application in final preparation) and, putting to one side the credibility of the RSP DCO case, if RSP wished nonetheless to give consideration to an offer, SHP would obviously examine it.
- 1.7 A further meeting then took place on 14 March 2018, during which [REDACTED] advised that SHP had considered whether a type of long leasehold structure (as was subsequently communicated to RSP - see below) would be worth exploring, and SHP would outline what it had considered - which it did in SHP's letter of 15 March 2018. At this meeting, [REDACTED] explained that RSP's preference was for an outright acquisition, rather than a long leasehold structure, and indicated an offer with a total value to SHP in excess of £25m would be

deliverable by RSP. He, in fact, provided an undertaking to revert by 21 March 2018 to advise whether this offer could be enhanced, after having discussed the position with RSP's investors.

- 1.8 When [REDACTED] next met with [REDACTED] on 27 March 2018, he advised that he was not in fact in any position to make any offer and that the previous offer that had been made was being withdrawn on the basis of its advice that its DCO case was "a slam dunk". [REDACTED] did indicate that RSP could, in the past, have delivered on an offer at the level advised on 14 March 2018 had RSP not spent so much on the DCO process, stating that SHP's professional fees have been far higher "as a result of the Planning Inspectorate using its project as a test case for other airport DCO's".
- 1.9 As we had thought was likely to be the case, this is exactly the outcome we had expected and confirms all our suspicions set out in our letter of 15 March 2018 that RSP's pro-forma approach on 9 February 2018 was not a serious attempt to acquire SHP's land by agreement, but simply an attempt to undertake a box ticking exercise prior to submission of its DCO application.
- 1.10 As set out in our letter of 15 March 2018, the suggestion of a long leasehold structure on the basis proposed was for RSP being provided the opportunity to demonstrate their aviation plans are credible and fundable (however unlikely SHP and the array of experts consider that to be), and for SHP, the expectation that it would be able to take forward its plans without the "cargo hub" distraction when RSP failed to deliver, as expected. We made it clear that, given our very real concerns regarding the true intent behind RSP's motives (i.e. residential development), it was entirely reasonable to prohibit any use other than aviation and ancillary use. However, it is clear that this is indeed an issue for your client, as you yourself pointed out in your letter to us of 21st March that any lease "would have to allow the development of the site unhindered." Again, the above outcome was not unexpected to us and again shines a light on RSP's lack of reliability, credibility and its true intentions. It should now be clear to all, including the Planning Inspectorate, that RSP has made no real attempt to engage with SHP on acquiring the land by voluntary agreement and that RSP's true intentions regarding this site are different to those declared.
- 1.11 Furthermore, you also reference previous communications between [REDACTED] (a [REDACTED] shareholder of SHP). To be clear these did not include at any time any offer or proposal from RSP to acquire the site. It is noted that [REDACTED] requested a private meeting with [REDACTED] in late 2017. However, the subject matter was not disclosed to [REDACTED] and given the invitation was for a meeting at [REDACTED]'s private residence in Mayfair, the invitation was declined. [REDACTED] asked [REDACTED] to correspond with [REDACTED] on the purpose of his proposed meeting but nothing was ever forthcoming.

## **2 Effect of Voluntary Acquisition**

- 2.1 It is actually apparent that neither you nor RSP appear to have fully understood the existing lawful planning use of the site or the triggers/requirements for project to be a DCO. The purported "Justification Note" appended to your letter to us of 5 March 2018 provided a wholly unsatisfactory attempt at explaining how your client's Project meets the tests in section 23 of the Planning Act 2008 to be considered an NSIP. We have written to the Planning Inspectorate in relation to this, appending both a response from our solicitors and advice from Leading Counsel. It is clear that RSP's proposals do not meet the DCO requirements and that the proposed DCO amounts to an attempt to mis-use the Planning Act 2008 to try and seek the benefit of the compulsory acquisition powers that the regime offers.

### **3 RSP's Intentions**

- 3.1 Your client's case appears to be wholly reliant on a highly speculative aviation case, that is not evidenced by the facts and relies on an extremely flimsy analysis from Azimuth Associates that has already been demonstrated to lack any real credibility.
- 3.2 We note your comments, but have yet to see any behaviour or credible evidence (e.g. in the form of clear availability of funding) from RSP that it is serious about delivering an airport project that is consistent with that presented to statutory consultees and the public.
- 3.3 With reference to your comments on the change of use appeal, the tactics adopted by RSP were clearly designed to try and safeguard the planning status of the site in order to frustrate plans to progress a mixed use proposal at this site which was in accordance with the emerging local plan. Indeed, in addition to the concerted efforts of your client, RSP, there is evidence of certain influential political supporters of your client admitting that they had worked hard to have the council members reject the local plan in order to try and depress the value of SHP's site for the purposes of the use of any DCO compulsory acquisition powers. It is clear that if your client has worked in dogged pursuit of anything, it has been doing everything it can to suppress the value of SHP's land and this has become even more transparent following the recent comments made by [REDACTED] his meetings with [REDACTED]

### **4 SHP's Intentions**

- 4.1 SHP is supported by a team of very highly regarded and experienced advisers working to both deliver our plans to regenerate the site for the benefit of Thanet and to defend against your client's blatant attempted misuse of the Planning Act 2008.
- 4.2 As explained in our letter, we continue to progress our plans and a further planning application in line with the enhanced masterplan we recently consulted upon, will be lodged shortly.
- 4.3 We are also surprised by the ill-informed and high-handed nature of your comments regarding both the future use of the site and its market value:
  - (a) Firstly, on the matter of moving the site away from aviation only use, the Secretary of State for Housing, Communities and Local Government wrote to the leader of TDC on 23 March 2018 confirming that he did not agree that the local debate regarding the future use of the airport site, and related matters, were exceptional circumstances that justified the failure of the Council to produce a Local Plan and that he had made the decision to continue the intervention process. As you will be aware, this follows on from the decision on 18 January 2018 by Councillors to vote against progressing Thanet's Local Plan to the publication stage. In its 31 January 2018 response to the Secretary of State's letter dated 16 November 2017 regarding possible Local Plan intervention, TDC was clear in stating that it had taken *"external planning advice which indicates that the draft Local Plan, as recommended to Council, would meet the tests of soundness"* and that *"[O]fficers have done everything necessary to seek to ensure that a sound plan would be published."*
  - (b) It is also abundantly clear to us that your letter fails to recognise the options available to SHP in relation to the land, the market value of the land and the basis on which market value would be assessed.

## **5. Lease Proposal**

- 5.1 As we set out in our previous letter and re-iterate again, SHP has no desire to sell this site and remains entirely committed to its plans to regenerate the site for the benefit of the community. Our letter of 15 March 2018 suggested a clear framework to move matters forward but it is very clear that the onus must be on RSP to engage with SHP, not the other way round.
- 5.2 Your letter notes that RSP *"remains willing to acquire SHP's land by agreement, and a lease might be one possible way of achieving this"* but that *"any encumbrances attached to the lease would have to allow the development of the site unhindered and equivalent to owning the freehold."* **Please can you confirm why that is the case?**
- 5.3 **Also, please can you clarify whether or not your client would be willing to accept a specific restriction against any future residential development on the land.** The RSP team have made number of public statements during their consultation process that they have no interest in pursuing any residential development on the site so this should be a very easy clarification for RSP to make if that is indeed the case.

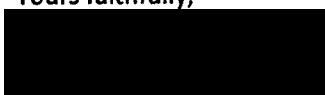
## **6. Conclusion**

As set out in this and previous correspondence, SHP's team remain very strong believers in the potential of East Kent. Fundamentally that is why they acquired the site at Manston. To date they have invested over £10m in the site's acquisition and operation and then progressing the regeneration of the site. SHP remains clearly of the view, based on all available evidence, that the mixed-use scheme we have been promoting is the best scheme for the site. As we have re-iterated above, we continue to progress these plans and an enhanced planning application for the new mixed-use settlement will be lodged shortly following the recent consultation on the enhanced masterplan.

Finally, to reiterate our position, SHP has no desire to sell this site and remains entirely committed to its plans to regenerate the site for the benefit for the community. If RSP is serious about actually delivering its proposals, the potential lease structure we set out is a solution that would provide an opportunity to resolve this issue and draw a line under the position. Ultimately, if RSP fails to engage with us on this basis, it will be even clearer that it is not serious about its proposals. If that remains the case it is clear that your client's failure to comply with paragraph 25 of the Guidance related to the compulsory purchase of land will remain only one of many reasons why an application for a development consent order would not satisfy the requirements of section 55 of the Planning Act 2008.

We will write to the Council and Central Government re-iterating our position and confirming that we remain committed to the regeneration of the site for a mixed use new community in a manner that is wholly consistent with Government policy and priorities.

Yours faithfully,



**On behalf of Stone Hill Park Limited**

Cc. The Company Secretary  
RiverOak Strategic Partners Ltd  
Audley House  
9 North Audley Street  
London, W1K 6WF



BIRCHAM DYSON BELL

[REDACTED]  
Partner  
Pinsent Masons  
DX 157620 Broadgate

Your Ref

Our Ref  
ADW/166055.0003

Date  
16 August 2018

Dear Sir

**Manston Airport**

As you will know the application by RiverOak Strategic Partners Ltd for development consent to reopen Manston Airport made on 17 July has been accepted for examination by the Planning Inspectorate. Meanwhile, Thanet District Council has removed any designation of the airport for mixed use development and has allocated sufficient housing capacity to meet its needs elsewhere. It follows that the open market value of the site assuming compulsory purchase powers are secured and implemented, will be in accordance with Land Compensation Act 1961 s5 rule 2 reflecting this planning situation.

Our clients remain fully committed to acquiring the site by agreement and are willing to pay a premium on their expert's estimate of its market value to secure agreement, noting that if the DCO is granted, Stone Hill Park will only receive rule 2 market value which will be effectively reduced by the amount that SHP has expended between now and then in opposing the DCO application.

We propose that our client's valuer, Colin Smith of CBRE, now meets with your valuer at an early date to discuss the basis for an agreement on terms. Plus let us know if you are prepared to negotiate in this way, or [REDACTED] can be contacted directly at [REDACTED]

Yours faithfully

[REDACTED]  
**Bircham Dyson Bell LLP**  
[REDACTED]

cc [REDACTED] Investment Director, Greysfriars Investments Limited  
[REDACTED] Mess Paull, Glasgow

17134214.1

50 Broadway London T +44 (0)20 7227 7000  
SW1H 0BL United Kingdom F +44 (0)20 7222 3480  
DX 2317 Victoria W www.bdb-law.co.uk



[REDACTED]  
Partner  
Pinsent Masons  
DX 157620 Broadgate

Your Ref

Our Ref  
ADW/166055.0003

Date  
18 September 2018

Dear Sir

**Manston Airport**

We are writing to remind you that we have not had a reply to our letter of 16 August (enclosed). Our clients remain keen to negotiate the acquisition of the Manston Airport site by agreement.

Yours faithfully

[REDACTED]  
Bircham Dyson Bell LLP

[REDACTED]  
Investment Director, Greyfriars Investments Limited  
[REDACTED] ess Paull, Glasgow

enc

17248569.1

50 Broadway London T +44 (0)20 7227 7000  
SW1H 0BL United Kingdom F +44 (0)20 7222 3480  
DX 2317 Victoria W www.bdb-law.co.uk



Our Ref: VHGB/SHP/  
Your Ref: ADW/166055.0003

3 October 2018

65 Gresham Street  
London  
EC2V 7NQ

**[gva.co.uk](http://gva.co.uk)**

CBRE  
Henrietta Place  
Henrietta House  
London, W1G 0NB

Dear [REDACTED]

**Stone Hill Park Limited – Development Consent Order Application by  
RiverOak Strategic Partners Limited**

GVA, together with Pinsent Masons, is instructed to advise Stone Hill Park Limited ("SHP") in respect of your client's Development Consent Order ("DCO") application. Pinsent Masons and SHP have passed me letters dated 16 August and 18 September 2018 from Bircham Dyson Bell to respond on their behalf. I have reviewed the previous correspondence in relation to this matter.

As your client is seeking to enter into negotiations in advance of a compulsory acquisition under the Planning Act 2008, I should be grateful for your confirmation that SHP's professional fees in dealing with this matter will be reimbursed by your client, and that Bircham Dyson Bell provides an undertaking to that effect please.

Within the letter of 16 August 2018, we note that your client is prepared to pay a premium on your estimate of market value in advance of achieving compulsory acquisition powers. However, that letter does not set out either your opinion of market value, or what level of premium your client may be prepared to pay.

Within paragraph 16 of the funding statement of the DCO submission, your client states that it considers total compensation for acquiring all land required for its scheme to be no more than £7.5million, but does not set out the basis on which that sum has been calculated.

It would therefore be helpful if you could set out your opinion of market value, and how you have reached that figure, together with the level of premium that your client is prepared to pay over and above that figure. I would envisage this including information on your methodology and approach, your assumptions around use and potential use, and your calculations carried out in arriving at your figure of market value.

GVA is the trading name of GVA Grimley Limited registered in England and Wales number 6382509. Registered office, 3 Brindleyplace, Birmingham B1 2JB

Regulated by RICS

We look forward to receiving this information and Bircham Dyson Bell's undertaking to reimburse professional fees incurred.

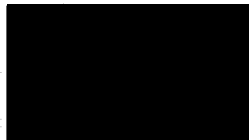
Yours sincerely,



[gva.co.uk](http://gva.co.uk)

For and on behalf of GVA Grimley Limited

Copy to:



Bircham Dyson Bell  
100, Stone Hill Park  
Pinsent Masons LLP

# CBRE

CBRE Limited  
Henrietta House  
Henrietta Place  
London W1G 0NB

Switchboard +44 (0)20 7182 2000  
Fax +44 (0)20 7182 2001  
Direct Line  
Direct Fax

[REDACTED]  
65 Gresham Street  
London  
EC2V 7NQ

10<sup>th</sup> October 2018

By email and post

Dear [REDACTED]

**STONE HILL PARK LIMITED – PLANNING ACT 2008 - DEVELOPMENT CONSENT ORDER  
APPLICATION BY RIVEROAK STRATEGIC PARTNERS LIMITED**

I refer to your letter dated 3<sup>rd</sup> October.

The opportunity to discuss statutory compensation assessment/valuation is welcomed.

My response to specific points raised, repeated below for ease of reference, is as follows.

*As your client is seeking to enter into negotiations in advance of a compulsory acquisition under the Planning Act 2008, I should be grateful for your confirmation that SHP's professional fees in dealing with this matter will be reimbursed by your client, and that Bircham Dyson Bell provides an undertaking to that effect please.*

I confirm SHP's reasonably and necessarily incurred professional valuation fees will be reimbursed, initially subject to a £5k + VAT cap, reviewable on request and justification. Time sheets to be provided please.

It would therefore be helpful if you could set out your opinion of market value, and how you have reached that figure, together with the level of premium that your client is prepared to pay over and above that figure. I would envisage this including information on your methodology and approach, your assumptions around use and potential use, and your calculations carried out in arriving at your figure of market value.

My position in respect of the estimated market value of your client's land is consequent on

- (i) the current planning position (no scheme world / cancellation assumption)
- (ii) the need for project specific land assembly and acquisition of rights with required use of CPO
- (iii) (apparent) lack of viability for redevelopment (notwithstanding lack of planning)



which leads to the LCA 1961 s5 rule 2 statutory compensation being based on existing use value the basis for which I consider to be some small-scale income producing use, possible agricultural use on parts and 'amenity land'.

The market value evidence from your client's acquisition of the freehold interest five years ago is compelling and persuasive. The widely reported nominal consideration + debts, was I assume correct (please confirm) with no overage agreement forming part of the transaction? To help further understand that transaction, what was the level of debt and what was the net receipt from the subsequent sale of assets please?

The DCO Book of Reference (copy attached) identifies your client's primary landholding as plot 015 with an area of 2,262,837 m<sup>2</sup> (226.3 ha) - 559 acres

Taking the total area my opinion is that amenity land value, reflecting an element of albeit undefined potential for limited piecemeal commercial use (subject to planning) income, can reasonably taken at £3,750 per acre – circa £2m. This figure sits with and is derived from agricultural land value of £7,500 with a 50% discount applied for quantum/cost of restoration and allowance for unusable areas.

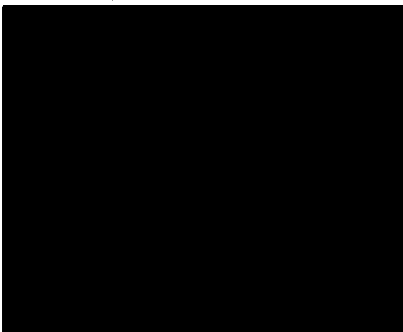
A premium over that £2m of 25% is adopted, hence my rule 2 figure is £2.5m. This is proposed in accordance with Guidance on Compulsory Purchase Process and The Crichel Down Rules 2018 para 2 which reads (in part) as follows, my underlining

*The confirming authority will expect the acquiring authority to demonstrate that they have taken reasonable steps to acquire all of the land and rights included in the Order by agreement. Where acquiring authorities decide to/arrange to acquire land by agreement, they will pay compensation as if it had been compulsorily purchased, unless the land was already on offer on the open market.*

In addition, a £100,000 Loss Payment is to be added and reasonable fees and costs.

I would now welcome the opportunity to meet and discuss matters arising, please let me know your availability during the next few weeks. I'm happy to meet at my office, your office or on site.

Yours sincerely,



**SENIOR DIRECTOR**



Our Ref: VHGB/SHP

14 December 2018

[REDACTED]  
CBRE  
Henrietta House  
London  
W1G 0NB

Dear [REDACTED]

**Stonehill Park Limited  
Development Consent Order Application**

Thank you for your letter dated 10 October 2018. I have consulted my client and set out my response below, including the correction of some factual information set out in your letter.

1. I note your comments in relation to fees, but do not consider this a reasonable approach. My client is entitled to take professional advice on a wide range of matters in respect of the Development Consent Order application affecting their property, and it is unreasonable to restrict this advice to valuation work only. As set out in [REDACTED] letter dated 3 October, my client requests an undertaking from Bircham Dyson Bell to reimburse SHP's professional fees in this matter.
2. Until the matter of fees is resolved I have been instructed not to comment on your proposed valuation methodology other than to provide the factual clarifications outlined below.
3. My client's land interests are identified in your client's Book of Reference as having interests totalling approximately 300 ha (742 acres). I attach a schedule extracted from the Book of Reference, which sets out the plots and interests which make up this total.
4. In addition, my client holds rights over a number of other plots within the Book of Reference, and you seem to have ignored these in your letter.
5. As shown on the Land Registry title, my client purchased their property for £7,000,000 in September 2014, then known as Lothian Shelf Limited before their name was change to Stone Hill Park Limited in June 2015. I am not clear to which transaction you refer in your second paragraph of page 2 of your letter?
6. In addition, you should be aware that part of the property is subject to a Parking Services Agreement with the Department for Transport. The agreement with DfT to use the land continues.

The majority of this information is set out in the Book of Reference, and the remainder readily available at the Land Registry, and so I am not clear why the information is not reflected in your letter?

65 Gresham Street  
London  
EC2V 7NQ

T: +44 (0) [REDACTED]  
F: +44 (0)20 7911 2560

**[gva.co.uk](http://gva.co.uk)**

GVA is the trading name of GVA Grimley Limited registered in England and Wales number 6382509. Registered office, 3 Brindleyplace, Birmingham B1 2JB

Regulated by RICS

Once you have had a chance to review the above, I look forward to receiving your further responses, including confirmation of an undertaking in respect of professional fees from Bircham Dyson Bell.

Yours faithfully

[Redacted signature]

[Redacted]  
020 7911 [Redacted]

[Redacted]

**For and on behalf of GVA Grimley Limited**

**Manston Airport Development Consent Order****Stonehill Park Limited Ownership Interests Referenced in Book of Reference from Manston Airport DCO**

Article 19 - Land acquired

Plot	Description	Area	Comments
15		2,262,837	
15a		693	
15b	Verge (north of Hengist Way)	1,646	
18	Public road and verges (Spitfire Way, B2190)	15,711	
26a		212	
27		154	
28		85,159	
36	Verge, access track and gas governor (off Spitfire Way)	369	
37		14,776	
39		3,587	
41a		170	
43		2,857	
43a	Verge (Spitfire Way)	35	
45	Public road and verges (Manston Road, B2050)	9,283	
46		2,856	
47		3,976	
47a	Public road and central reservation (Manston Road, B2050)	525	
48a		380	
49		82,721	
49a		146	
49b		30	
50		277,193	
50a	Public road (Manston Road, B2050)	6,920	
50b		47,729	
50c		41,237	
50d	Verge (Manston Court Road)	26	
50e	Verge and hardstanding (Manston Road)	270	
51b		1,962	
51c	Verge (Manston Court Road)	7	
53	Public road (Manston Road, B2050)	377	
53a		118	
53b	Verge and manhole (Manston Court Road)	7	
54		55,147	
54a		6,463	
55		27	



56	Land and verge (former airport site)	3,853	
56a		1,123	
57		62,724	
58		153	
59		4,943	
68		1,796	
69		1,226	
70	Access track (off Canterbury Road West)	720	
70a	Public road and access track (Canterbury Road West, A299)	8	
73	Public road and verge (Canterbury Road West, A299)	103	
		<b>3,002,255</b>	<b>sq m</b>
		<b>300</b>	<b>hectares</b>
		<b>742</b>	<b>acres</b>

**From:** [REDACTED] @ London HH [REDACTED]  
**Sent:** 08 February 2019 12:08  
**To:** [REDACTED] Michael (Avison Young - UK)  
**Cc:** [REDACTED]  
**Subject:** RE: Stone Hill Park Limited

Dear [REDACTED]

I refer to your letter dated 14<sup>th</sup> December (receipt previously acknowledged) sent in response to my letter dated 10<sup>th</sup> October.

I respond to your numbered points as follows

1. The fees reimbursement previously proposed is reiterated, it is considered inappropriate to underwrite fees and costs on the basis proposed, being in respect of objecting to and/or opposing the DCO itself. If you consider the initial cap on valuation fees is insufficient please advise and we can hopefully agree a higher sum.
2. Noted
3. Noted
4. Noted and thank you for clarifying the position
5. In my previous letter I refer to the original purchase from Infratil. My understanding is that transaction to which you refer was not at arm's length and included an element of cross funding, if you are able to confirm or deny that I shall be grateful
6. Understood and I understand this has been the subject of discussions between our respective clients. I believe the arrangement is contractual with DfT having no interest in land. Is that correct?

Kind regards

[REDACTED]  
[REDACTED] Senior Director  
CBRE - Planning & Compulsory Purchase  
Henrietta House | Henrietta Place | London | W1G 0NB

[REDACTED] | <http://www.cbre.com>



**From:** [REDACTED] Colin @ London HH  
**Sent:** 02 January 2019 18:49  
**To:** [REDACTED] Michael (GVA) [REDACTED]  
**Subject:** Re: Stone Hill Park Limited

[REDACTED]

Receipt confirmed

Many thanks

[REDACTED]

On 2 Jan 2019, at 16:50, Walton, Michael (GVA) [REDACTED] wrote:

Hi [REDACTED]

Please can you acknowledge receipt of my letter dated 14<sup>th</sup> December?

[REDACTED]  
Director  
GVA

[REDACTED]  
65 Gresham Street, London, EC2V 7NQ

---

**From:** Walton, Michael (GVA)  
**Sent:** 14 December 2018 12:05  
**To:** [REDACTED]  
**Subject:** Stone Hill Park Limited

Colin

Please find attached a letter in response to your correspondence dated 10<sup>th</sup> October addressed to

[REDACTED]

[REDACTED]  
Director  
GVA

[REDACTED]  
65 Gresham Street, London, EC2V 7NQ  
**Until 1 Jan 2019 I work Thursdays and Fridays only**

---

<119010216504801765.png>

<119010216504802165.png> <119010216504801565.png> <119010216504802365.png> <119010216504801965.png>

GVA is a trading name of GVA Grimley Limited, a limited company registered in England and Wales with registered number 06382509. Our registered office is at 3 Brindleyplace, Birmingham B1 2JB. GVA Grimley Limited is authorised and regulated by RICS.

This message is intended solely for the addressee and may contain confidential information. If you have received this message in error, please send it back to us, and immediately and permanently delete it. Do not use, copy or disclose the information contained in this message or in any attachment.

# CBRE

CBRE Limited  
Henrietta House  
Henrietta Place  
London W1G 0NB

Switchboard +44 (0)20 7182 2000  
Fax +44 (0)20 7182 2001  
Direct Line  
Direct Fax

65 Gresham Street  
London  
EC2V 7NQ

10<sup>th</sup> October 2018

By email and post

Dear

**STONE HILL PARK LIMITED – PLANNING ACT 2008 - DEVELOPMENT CONSENT ORDER  
APPLICATION BY RIVEROAK STRATEGIC PARTNERS LIMITED**

I refer to your letter dated 3<sup>rd</sup> October.

The opportunity to discuss statutory compensation assessment/valuation is welcomed.

My response to specific points raised, repeated below for ease of reference, is as follows.

*As your client is seeking to enter into negotiations in advance of a compulsory acquisition under the Planning Act 2008, I should be grateful for your confirmation that SHP's professional fees in dealing with this matter will be reimbursed by your client, and that Bircham Dyson Bell provides an undertaking to that effect please.*

I confirm SHP's reasonably and necessarily incurred professional valuation fees will be reimbursed, initially subject to a £5k + VAT cap, reviewable on request and justification. Time sheets to be provided please.

It would therefore be helpful if you could set out your opinion of market value, and how you have reached that figure, together with the level of premium that your client is prepared to pay over and above that figure. I would envisage this including information on your methodology and approach, your assumptions around use and potential use, and your calculations carried out in arriving at your figure of market value.

My position in respect of the estimated market value of your client's land is consequent on

- (i) the current planning position (no scheme world / cancellation assumption)
- (ii) the need for project specific land assembly and acquisition of rights with required use of CPO
- (iii) (apparent) lack of viability for redevelopment (notwithstanding lack of planning)



which leads to the LCA 1961 s5 rule 2 statutory compensation being based on existing use value the basis for which I consider to be some small-scale income producing use, possible agricultural use on parts and 'amenity land'.

The market value evidence from your client's acquisition of the freehold interest five years ago is compelling and persuasive. The widely reported nominal consideration + debts, was I assume correct (please confirm) with no overage agreement forming part of the transaction? To help further understand that transaction, what was the level of debt and what was the net receipt from the subsequent sale of assets please?

The DCO Book of Reference (copy attached) identifies your client's primary landholding as plot 015 with an area of 2,262,837 m<sup>2</sup> (226.3 ha) - 559 acres

Taking the total area my opinion is that amenity land value, reflecting an element of albeit undefined potential for limited piecemeal commercial use (subject to planning) income, can reasonably taken at £3,750 per acre – circa £2m. This figure sits with and is derived from agricultural land value of £7,500 with a 50% discount applied for quantum/cost of restoration and allowance for unusable areas.

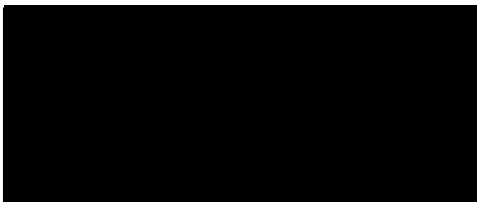
A premium over that £2m of 25% is adopted, hence my rule 2 figure is £2.5m. This is proposed in accordance with Guidance on Compulsory Purchase Process and The Crichel Down Rules 2018 para 2 which reads (in part) as follows, my underlining

*The confirming authority will expect the acquiring authority to demonstrate that they have taken reasonable steps to acquire all of the land and rights included in the Order by agreement. Where acquiring authorities decide to/arrange to acquire land by agreement, they will pay compensation as if it had been compulsorily purchased, unless the land was already on offer on the open market.*

In addition, a £100,000 Loss Payment is to be added and reasonable fees and costs.

I would now welcome the opportunity to meet and discuss matters arising, please let me know your availability during the next few weeks. I'm happy to meet at my office, your office or on site.

Yours sincerely,




**COLIN SMITH**  
**SENIOR DIRECTOR**



Our Ref: VHGB/SHP

14 December 2018

  
CBRE  
Henrietta House  
London  
W1G 0NB

65 Gresham Street  
London  
EC2V 7NQ

  
**gva.co.uk**

Dear 

**Stonehill Park Limited  
Development Consent Order Application**

Thank you for your letter dated 10 October 2018. I have consulted my client and set out my response below, including the correction of some factual information set out in your letter.

1. I note your comments in relation to fees, but do not consider this a reasonable approach. My client is entitled to take professional advice on a wide range of matters in respect of the Development Consent Order application affecting their property, and it is unreasonable to restrict this advice to valuation work only. As set out in Virginia Blackman's letter dated 3 October, my client requests an undertaking from Bircham Dyson Bell to reimburse SHP's professional fees in this matter.
2. Until the matter of fees is resolved I have been instructed not to comment on your proposed valuation methodology other than to provide the factual clarifications outlined below.
3. My client's land interests are identified in your client's Book of Reference as having interests totalling approximately 300 ha (742 acres). I attach a schedule extracted from the Book of Reference, which sets out the plots and interests which make up this total.
4. In addition, my client holds rights over a number of other plots within the Book of Reference, and you seem to have ignored these in your letter.
5. As shown on the Land Registry title, my client purchased their property for £7,000,000 in September 2014, then known as Lothian Shelf Limited before their name was change to Stone Hill Park Limited in June 2015. I am not clear to which transaction you refer in your second paragraph of page 2 of your letter?
6. In addition, you should be aware that part of the property is subject to a Parking Services Agreement with the Department for Transport. The agreement with DfT to use the land continues.

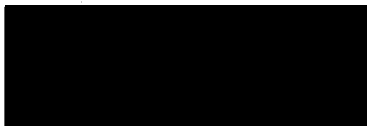
The majority of this information is set out in the Book of Reference, and the remainder readily available at the Land Registry, and so I am not clear why the information is not reflected in your letter?

GVA is the trading name of GVA Grimley Limited registered in England and Wales number 6382509. Registered office, 3 Brindleyplace, Birmingham B1 2JB

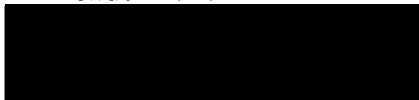
Regulated by RICS

Once you have had a chance to review the above, I look forward to receiving your further responses, including confirmation of an undertaking in respect of professional fees from Bircham Dyson Bell.

Yours faithfully

A black rectangular box redacting the signature of Michael Walton.

**Michael Walton**

A black rectangular box redacting contact information, likely an email address.

**For and on behalf of GVA Grimley Limited**



Ministry of Housing,  
Communities &  
Local Government

Councillor Robert W. Bayford  
Leader, Thanet District Council

**The Rt Hon James Brokenshire MP**  
*Secretary of State for Housing, Communities and  
Local Government*

**Ministry of Housing, Communities and Local  
Government**

4th Floor, Fry Building  
2 Marsham Street  
London SW1P 4DF

Tel: 0303 444 3450

Email: james.brokenshire@communities.gsi.gov.uk

[www.gov.uk/mhclg](http://www.gov.uk/mhclg)

28 January 2019

## **LOCAL PLAN INTERVENTION**

Following Thanet District Council's failure over many years to get a Local Plan in place, the former Secretary of State wrote to your Council, on 16 November 2017, to express his concerns. He offered an opportunity to explain any exceptional circumstances justifying the failure of your Council to produce a Local Plan and any measures you had taken or intended to take to accelerate plan publication. Following your letter of January 2018 outlining your exceptional circumstances, the former Secretary of State wrote again on 23 March 2018. He set out that he had considered your representations and the Government's Local Plan intervention policy criteria and had decided to continue with the intervention process by commissioning a team of experts led by Government's Chief Planner to provide advice on next steps.

I have carefully considered that advice on next steps and all the above matters. I have also considered correspondence sent to my Department since January 2018, including correspondence from Thanet District Council, which reported some positive actions and progress, including the publication of a Local Plan under regulation 19 of the Town and Country Planning (Local Planning) (England) Regulations 2012, the publication of a revised Local Plan production timetable<sup>1</sup> and the submission of a Local Plan under regulation 22 of the Town and Country Planning (Local Planning) (England) Regulations 2012.

Section 27(1) of the Planning and Compulsory Purchase Act 2004 ("the 2004 Act") provides:

---

<sup>1</sup> The Thanet Local Development Scheme (July 2018)



“This section applies if the Secretary of State thinks that a local planning authority are failing or omitting to do anything it is necessary for them to do in connection with the preparation, revision or adoption of a development plan document.”

In view of your continuing failure to get a Local Plan in place I am satisfied that the requirements in section 27(1) of the 2004 Act are met; Thanet District Council (in its capacity as local planning authority):

- does not have an up-to-date Local Plan in place - the Council’s last Local Plan was adopted in 2006 and covered a period up to 2011.
- has failed to meet the milestones in at least five Local Development Schemes since 2006.
- has failed to plan for and deliver the homes people need in Thanet.

Section 27(2) of the 2004 Act provides:

“The Secretary of State may—

- (a) prepare or revise (as the case may be) the document, or
- (b) give directions to the authority in relation to the preparation or revision of the document.”

Pursuant to the powers in section 27(2)(b) of the 2004 Act I have decided to make a direction in relation to the preparation of the Thanet Local Plan:

Within four weeks of the date of this letter, I direct Thanet District Council to designate a lead Councillor and lead official to be responsible for progressing preparation of the Local Plan and to publish details of those designations.

In making this decision I have considered the following Local Plan intervention policy criteria<sup>2</sup>:

- **The least progress in plan-making has been made:** Out of 338 local planning authorities in England, Thanet are one of only circa 50 authorities who have not yet adopted a 2004 Act Local Plan under Regulation 26 of the Town and Country Planning (Local Planning) (England) Regulations 2012.
- **Policies in plans have not been kept up to date:** Thanet’s last Local Plan was adopted in 2006 (not under the provisions of the 2004 Act), and covered a period up to 2011. Thanet have consistently failed to bring forward a Local Plan in accordance with its Local Development Scheme as legally required, having failed to meet Local Plan milestones in at least six Local Development Schemes since 2006.

---

<sup>2</sup> Local Plan intervention policy criteria were consulted on in 2016 and confirmed in the 2017 housing White Paper and the 16 November 2017 Written Statement in the House of Commons

- **There is higher housing pressure:** Thanet is within the top third of Districts in England for high housing pressure, based on average affordability ratios<sup>3</sup>. Thanet lack of a five-year housing land supply further highlights the authority's failure to plan for and deliver the homes people need.
- **Intervention would have the greatest impact in accelerating Local Plan production:** Based on Thanet's revised Local Development Scheme, it is unlikely that Local Plan production would be accelerated by my Department taking over its production. In my judgement, given the authority's track record of persistent failure in plan-making, the intervention I have decided upon will provide more certainty and is the best way of ensuring that a Local Plan will be produced in accordance with the Local Development Scheme timetable.
- **The wider planning context in each area in terms of the extent to which authorities are working co-operatively to put strategic plans in place:** Several authorities in Kent have indicated interest in joint planning but no formal arrangements are in place.
- **The wider planning context in each area in terms of the potential impact that not having a plan has on neighbourhood planning activity:** at least six communities in Thanet are preparing neighbourhood plans: Birchington, Ramsgate, Margate, Broadstairs & St Peters, Westgate and Cliffsend. Communities can bring forward neighbourhood plans in the absence of an up-to-date Local Plan, but doing so can be more challenging for communities.

Having considered Thanet's performance against the Local Plan intervention criteria, I am satisfied that intervention action is justified.

Section 15(4) of the 2004 Act provides:

"The Secretary of State may direct the local planning authority to make such amendments to the [local development] scheme as he thinks appropriate for the purpose of ensuring full and effective coverage (both geographically and with regard to subject matter) of the authority's area by the development plan documents (taken as a whole) for that area."

Pursuant to my powers in Section 15(4) of the 2004 Act, I am also directing Thanet District Council to, within eight weeks of the date of this letter, amend its Local Development Scheme (dated July 2018) to provide for the completion of a review of their Local Plan within six months of its adoption.

---

<sup>3</sup> Ranked 98 least affordable of 324 English Districts (Housing Affordability Statistics, Office of National Statistics, 2017)

This course of action would ensure full and effective coverage of housing provision to give clarity to communities and developers about where homes should be built.

Having considered all of the above, in my judgement, there is a compelling case for the Local Plan intervention actions I have decided upon in Thanet, pursuant to powers in sections 15(4) and 27(2)(b) of the 2004 Act. Given your recent actions and progress in meeting the requirements in the Town and Country Planning (Local Planning) (England) Regulations 2012, I have decided not to prepare the Thanet Local Plan. However I will continue to closely monitor your Local Plan progress. Should a significant delay occur against the milestones set out in your July 2018 Local Development Scheme, should you fail to comply with the directions in this letter or should your draft Local Plan fail at examination, I will consider whether to take further action to ensure that a Local Plan is put in place.

I am also, for the avoidance of doubt, now putting on public record my concerns about the low level of housing supply and delivery in Thanet. I expect planning decision-takers to have regard to these concerns as a material consideration when deciding local planning applications.

I appreciate the constructive way Thanet District Council have engaged in this process so far and I trust that you and your officers will continue to engage positively. My officials will be in touch over the next few days to discuss next steps.

**RT HON JAMES BROKENSHERE**