

Adran yr Economi a'r Seilwaith
Department for Economy and Infrastructure



Llywodraeth Cymru
Welsh Government

Objection Ref OBJ0312

File Ref WG/REB/OBJ0312 – CJN Engineering

Response to Objector's Objection: CJN Engineering

1. GROUNDS FOR OBJECTION

1.1. Details

1.1.1. A written objection was received from Mr Chris Newberry on behalf of CJN Engineering Limited in relation to the draft statutory Orders associated with the Welsh Government's proposals for the M4 Corridor around Newport in May 2016.

1.1.2. The Welsh Government understands the objection to be based on the following:

1. the current proposal goes directly through workshop, office and storage areas used by CJN within Newport Docks and would require the business to relocate.

2. WELSH GOVERNMENT'S VIEW

2.1. Points Raised

2.1.1. The above points are dealt with by topic by the relevant witness in the following sections, in addition to their general proofs of evidence, to which readers should also make reference in their entirety for a full understanding of the Welsh Government's case. For ease of reference the places where the above points are addressed in this Rebuttal are listed in the table below:

Objector's point reference	Rebuttal paragraph reference	Objector's point reference	Rebuttal paragraph reference
1	2.2.1		

2.2. Matthew Jones (Chief Witness)

2.2.1. In response to **Point 1** (the current proposal goes directly through workshop, office and storage areas used by CJN within Newport Docks and would require the business to relocate);

1. Since receiving the original objection the Welsh Government, assisted by the project team, have looked to engage with ABP and CJN in order to determine a suitable location within Newport Docks for the relocation of CJN's workshop, office and storage areas such that the business can continue to exist and operate within Newport Docks during the construction and operation of the proposed M4CaN Scheme.
2. A meeting was held with CJN on 5th May and 16th November 2016. At these meetings the Welsh Government updated CJN on the progress of the Scheme and the upcoming Public Inquiry Process. They also stated that they wished to provide assistance to companies to mitigate any potential impact of the proposed Scheme and therefore invited those affected to submit an initial business case for such assistance. CJN noted that ABP had offered an alternative location within Newport Docks but that it would require installation of hard standings, offices and services. CJN stated that they were continuing to look at other locations, including locations away from Newport Docks, but had not yet found a suitable site.
3. CJN provided a business case to the Welsh Government on 25th January 2017 which covered the initial preparations for relocating CJN's business

to a new site ahead of the CPO process. The Welsh Government responded to CJN on 1st February 2017 stating that the Welsh Government was agreeable to reimbursing CJN for the proposed activities on the agreement that this addresses CJN's concerns and they removed their objection to the proposed Scheme. A written confirmation of CJN's removal of the objection was requested. No written removal was received.

4. Throughout 2017, extensive discussions took place between ABP and the Welsh Government which led to the development of a package of mitigation works to address the temporary and permanent impacts the proposed Scheme had on the Newport Docks (and any affected tenants) and the withdrawal of objections from ABP following the entering into of a legal agreement between ABP and the Welsh Government. These proposals are outlined in the Scheme Evidence Update of Matthew Jones (WG 1.1.8), supported where necessary by other Welsh Government Witnesses and Environmental Statement Supplements 5 and 6. As part of the development of these proposals the Welsh Government met with CJN to discuss CJN's current operations, facilities and user requirements on 25th July 2017 following a survey which was undertaken on 7th July 2017.
5. The proposals outlined in the Scheme Evidence Updates, which are now agreed with ABP, provide for CJN to be relocated to the south of South dock on a like for like basis.
6. On 31st January 2018, ABP confirmed it was prepared to withdraw its objection to the proposed Scheme. A summary of the agreement reached with ABP on 2nd February 2018 is contained in Public Inquiry Document (PID) 196.
7. The project team met with CJN on 23rd February 2018 to provide an update on the proposed Scheme progress, the ongoing Public Local Inquiry, the agreement between ABP and Welsh Government and to discuss the relocation proposals for CJN and agree the design briefs which would be used during the design development at the relocated site. CJN noted that the design briefs did not take account of the extended site which CJN now lease from ABP and that the proposed relocation site did not appear to allow for sufficient space for future expansion of the business.

8. Joanna Vincent (Programme Officer) enquired about the status of CJN's objection to proposed Scheme in an email to Mr Graham Dickenson (agent acting on behalf of CJN). Mr Dickenson replied on 27th February 2018 confirming that CJN's objection remained on the basis that the:
 - i. the project team had not captured all of the property used by CJN;
 - ii. the site identified for relocation did not allow for sufficient provisions for future expansion of the business, and;
 - iii. there has been insufficient time between the signing of the agreement between ABP and the Welsh Government for any tripartite agreement to be formed.
9. The project team are continuing to engage with CJN in order to explore whether an acceptable relocation proposal can be agreed with CJN and ABP.
10. With regards to point i) above, CJN have now provided the Welsh Government with copies of their lease arrangement with ABP and the Welsh Government have confirmed to CJN that these have been taken into account during the development of the relocation proposals (refer to Appendix A). Further work is being undertaken by the project team to ensure that the site layout and extent for the relocation proposals are equivalent in terms of both total area and site usability.
11. The Welsh Government also understands that CJN has to date enjoyed a flexible approach by ABP to its use of land not within its demise. Under the currently proposed port relocation, there would be other areas within ABP's Newport Docks port estate that may be available for letting to CJN, on a short or longer term basis including common user storage areas. However, this is matter for agreement between CJN and ABP. The existing common user storage areas affected by the proposed Scheme are being replaced, on an equivalent basis at locations agreed with ABP. Therefore, it may well be possible to replace (by agreement with ABP) the storage CJN currently enjoys on an informal basis, with alternative areas within the port. It is also relevant that increased operational costs resulting from the relocation proposal may be compensatable, but the extent of any claim will need to be discussed further and the negation of compensation is strictly a matter for the District Valuer and not for the Inquiry.

12. With regards to point ii) above, the Welsh Government does not have clear details of what is proposed by CJNI in terms of future expansion. On 8th March 2018 The Welsh Government requested CJNI to provide further details so that the project team can assess the potential for use of adjacent land, subject to the agreement of ABP. To date no information has been received.
 13. With regards to point iii) above, the agreement with ABP legally commits the Welsh Government to use its best endeavours to attempt to reach an agreement over a solution that works for CJNI and it will continue to liaise with CJNI in that regard. However, there is no overriding marine reason for CJNI to remain located with Newport Docks and the agreement with ABP is such that in the event that agreement with CJNI as to the facilities to be relocated is not reached, then the Welsh Government is entitled (should the proposed Scheme proceed) to compulsorily purchase CJNI's leasehold interests. In those circumstances, CJNI would be entitled to compensation based on the code that governs payment of compulsory purchase compensation
 14. With regard to CJNI's objection to the proposed Scheme, disruption to its business (including the potential for its interest to be acquired by compulsory purchase order) must be balanced against the wider social economic and environmental benefits of the proposed Scheme. The sole remaining issue for CJNI would then be one of compensation, which is not a matter for the Inquiry.
 15. If a relocation agreement cannot be reached with CJNI and ABP, notwithstanding use of best endeavours, then Welsh Government would compulsorily purchase CJNI's interest and CJNI would be entitled to compensation. If no relocation agreement is reached with ABP and CJNI the compulsory purchase of CJNI's interest is a matter that needs to be weighed against the other social, economic and environmental benefits of the Scheme.
 16. Liaison will be ongoing and further design workshops for the relocation of CJNI are planned to be scheduled from mid-April onwards.
- 2.2.2. I confirm that the statement of truth and professional obligations to the inquiry from my main proof still applies.

Appendix A – CJNI Leasing Arrangements

