

REPORT OF THE STRATEGIC DIRECTOR PLACE

TO THE CITY MAYOR

16TH JULY 2020

TITLE: - 1,2,15,16,17,18 Ralli Courts, Stanley Street, Salford M3

RECOMMENDATIONS:

1. The City Mayor is recommended to note the proposed negotiation threshold figure for the full and final settlement under all heads of the claim via mediation and that the final agreed figure will be delegated to and approved by The Strategic Director of Place as set out in the body of this report on the terms of which are set out in an accompanying Part 2 report.
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EXECUTIVE SUMMARY:

The subject properties shown edged red on the attached plan formed part of the Ralli Courts Estate (shown edged blue on the attached plan for identification purposes). The land was included in the Salford Central CPO 2010 and vested with the City Council on 30th April 2014.

The claimants and the City Council as acquiring authority have been in negotiations for a number of years in relation to the level of compensation to be paid to the claimants. Agreement has not been reached and the claimants have made a reference to the Upper Tribunal Lands Chamber to seek independent determination. Before a hearing takes place the parties have agreed to undertake mediation with a view to agreeing the settlement of compensation without recourse to the Tribunal.

The accompanying Part 2 report seeks approval to an upper limit of compensation in advance of the mediation and, subject to agreement being reached, that the Council then enters into a legally binding settlement agreement to be signed by the parties at the end of the mediation process. This agreement will detail that a payment (for an amount up to and no more than the maximum figure detailed in the accompanying Part

2 report) and adjusted to reflect advance payment received by the claimant to date can be paid to the claimant within an agreed timeframe after the settlement agreement is signed and will give the parties certainty that the agreed level of compensation will be legally binding and paid to the claimant's in full and final settlement of all claims made against the Council, in turn alleviating the risk and cost of a future Upper Tribunal Lands Chamber hearing.

In the event that settlement cannot be reached during the mediation process the case will be progressed to a hearing at an Upper Tribunal Lands Chamber and any necessary actions required for approval will be reported at the appropriate time.

BACKGROUND DOCUMENTS:

Report to the Lead Member for Planning on 22nd October 2007 - Salford Central Planning Guidance.

Report to the Lead Member for Planning on 27th July 2010 and 29th November 2010 Proposed CPO for Salford Central.

Report to the City Mayor on 9th June 2014 - Units 1, 2, 15, 16, 17 and 18 Ralli Courts, Stanley Street, Salford .

Report to the Deputy City Mayor on 12th August 2014 - Units 1, 2, 15, 16, 17 and 18 Ralli Courts, Stanley Street, Salford.

KEY DECISION: YES

DETAILS:

1.0 **Background**

- 1.1 The Lead Member for Planning on the 27th July 2010 approved the making of the Salford Central CPO and also that the City Solicitor acquire all interests either by agreement or compulsorily. All interests required for the scheme have been acquired by agreement or compulsorily purchased by the execution of a General Vesting Declaration or Notice to Treat and Notice of Entry.
- 1.2 All costs and compensation associated with both the CPO and the acquisitions by agreement have been and continue to be funded by the Revolving Acquisition Fund (RAF) that was approved on 27th July 2010 to support the Salford City Council (Salford Central) Compulsory Purchase Order 2010 (CPO). The RAF operates by the Council funding acquisitions in order to assemble sites then the money is paid back to the Council as plots are developed and sold. This arrangement has operated successfully and there is currently a positive balance in the RAF to fund outstanding claims.

- 1.3 1,2,15,16,17,18 Ralli Courts shown edged red on the attached plan were included in the Ralli Courts Estate which is identified edged blue on the attached plan.
- 1.4 The land was included in the Salford City Council Salford Central Compulsory Purchaser Order 2010 and vested with the Council under a General Vesting Declaration on 30th April 2014. The properties have since been demolished and the land now forms part of the New Bailey estate.

2.0 Details

- 2.1 The claimant's known collectively as Ralli Leaseholders submitted their claim for compensation and negotiations commenced prior to vesting. The claimants' are inter-related and include several individuals; (1) AJ Bell (PP) Trustees Limited (2) Adrian Anderson (3) Stephen Fox (4) Martin Coyne (5) Michael Rainford and (6) Harold Booth. The parties held long leasehold and occupational leases.
- 2.2 The Council and its partner English Cities Fund (ECf) appointed Keppie Massie, an independent firm of surveyor's with experience of negotiating compensation settlements. .
- 2.3 Despite negotiations having continued between the parties since the properties vested, agreement to the level of compensation has not been reached. As a result the claimants submitted a reference to the Upper Tribunal Lands Chamber for an independent determination.
- 2.4 However, before the case is heard at Tribunal the parties have agreed to stay the proceedings and attend a mediation hearing with a view to trying to agree the claim and, if necessary, to demonstrate to the Tribunal that a reference is a last resort if a hearing is subsequently needed.
- 2.5 The mediation has been scheduled for 23rd July 2020 and the Mediator that has been appointed by mutual agreement between the parties is Patrick Walker of In Place Of Strife (IPOS) Mediation.
- 2.6 The Council's legal advisors have advised that if an agreement can be reached between the parties during the mediation process, the agreed sum can, within a defined timescale afterwards, be documented in a legally binding settlement agreement. In order to be able to commit to this sum, it is necessary to seek approval in advance to an upper limit for the settlement and delegate authority for a senior officer to commit to the sum on the day of the mediation. The nominated officer in this case being the Strategic Director for Place..
- 2.7 Any figure agreed would be exclusive of the claimants' reasonable conveyancing costs.

2.8 All costs associated with the compulsory purchase and compensation in connection with the Salford Central CPO are covered the Council's development partner ECf under an indemnity funded by the RAF

2.9 In the event that settlement cannot be reached during the mediation process the case will progress to a hearing in the Upper Tribunal Lands Chamber and any necessary actions required for approval will be reported at the appropriate time.

3.0 Waiver of call in

3.1 To enable this report to be considered and for the decision of the City Mayor to become effective before the mediation session on the 23rd July, and so not be subject to call in, it has been necessary to seek and obtain the following:

(1) advice from the Head of Paid Service that the decision being taken by the City Mayor is urgent because any delay likely to be caused by the call-in process would seriously prejudice the residents of Salford; and

(2) confirmation that the Chair of the Overview and Scrutiny Board or the relevant Scrutiny Panel has/have agreed both that the decision proposed is reasonable in all the circumstances and to it being treated as a matter of urgency.

3.2 Both the advice and confirmations detailed above have been obtained.

4.0 Recommendations:

4.1 The City Mayor is recommended to note the proposed negotiation threshold figure for the full and final settlement under all heads of the claim via mediation and that the final agreed figure will be delegated to and approved by The Strategic Director of Place as set out in the body of this report on the terms of which are set out in an accompanying Part 2 report.

KEY COUNCIL POLICIES:

The Mayor's Priorities;

- **A transparent effective organisation** – Delivering effective and efficient council services.
- **Social impact** – Using social value to make the most difference in Salford. Making sure council money gets the most 'bang for its buck' for Salford residents.
- **Regeneration** – Salford Central Development Framework.

EQUALITY IMPACT ASSESSMENT AND IMPLICATIONS:

There are no equality impact issues arising and directly as a consequence of this report.

ASSESSMENT OF RISK: Low

The Council is legally required to pay the balance of compensation to the claimants. If a settlement can be reached during mediation, a settlement agreement will give the parties a legally binding agreement alleviating future risk and cost associated with a hearing at Upper Tribunal Lands Chamber.

All costs associated with the compulsory purchase and compensation in connection with the Salford Central CPO are covered by the Council's development partner ECf under an Indemnity Agreement.

LEGAL IMPLICATIONS Supplied by: Juliet Mbam

There are no legal implications in respect of the recommendations save that the final determination of the amount of compensation in the event that the parties do not reach agreement following the mediation process will be for the Lands Chamber to decide following a formal hearing.

FINANCIAL IMPLICATIONS Supplied by: Chris Mee

As detailed in para 2.8 above, all costs associated with the compulsory purchase and compensation in connection with the Salford Central CPO are funded through the Revolving Acquisition Fund (subject to a cap) and will be repaid to the fund by the Council's development partner ECf, in accordance with the Development Agreement as land is drawn down and sites are developed.

PROCUREMENT IMPLICATIONS Supplied by:

There are no procurement implications arising from the proposal.

HR IMPLICATIONS Supplied by:

There are no HR implications arising from this proposal.

CLIMATE CHANGE IMPLICATIONS Supplied by:

The are no climate change implications.

OTHER DIRECTORATES CONSULTED:

No other Directorates have been consulted.

CONTACT OFFICER: Sarah Malone **TEL NO:** 0161 779 6073

WARDS TO WHICH REPORT RELATES: Ordsall