

Approval of Terms Form (ACQUISITION)				Approval of Terms No: OLT/AOT/062.2	
London Borough of Hackney Land Acquisition				AoT Ref:	
				PCS No:	Asset Type:*
				Estate:	
				Office:	
Leasehold	<input type="checkbox"/> x	Freehold	<input type="checkbox"/> x	Plot Numbers	6,7,10,17,18,21,40,42,43,44,45, 56,67, 110

Insert at * above: 1A (Investment Asset) or DA (Development Asset)

LOCATION AND DESCRIPTION

Agreement for the acquisition of LB Hackney freehold lands within the Olympic zone.

PROPOSAL

Negotiations have taken place between the Agency and LB Hackney seeking to agree the terms upon which the Agency can acquire lands within the Olympic zone by agreement. The attached paper contains terms which have been provisionally agreed with LB Hackney such that all the major land holdings within the zone can be drawn down by the agency as required. The remaining ownerships which are largely presumed rights beneath public highways will be taken under the CPO powers.

ADDENDUM (1)

In line with the provisions below for the lease of East Marsh from May 2011 – August 2013 the LDA is proposing to draw down a lease of part of East Marsh now in order to facilitate the ODA programme. LDA and LB Hackney have agreed to an early lease for the stockpiling of remediated spoil from within the Olympic Park which will then be used to create the ramp for bridge L01. The lease is substantially in the form appended to the Co-operation Agreement that was entered into 2nd August 2006.

ADDENDUM (2)

In order to overcome common land restrictions on East Marsh a variation in the form of a Supplemental Agreement has been negotiated with LB Hackney to vary the LDA/LBH Co-operation Agreement 2006.

The purpose of the supplemental agreement is a purely technical exercise to overcome legal restrictions on the land by utilising the LDA's powers under the Regional Development Agencies Act and the Olympic Act and does not leave the LDA with any latent liabilities.

The Supplemental Agreement varies the provisions in the existing agreement in relation to the lease that the LDA can draw down over East Marsh to facilitate the Olympic Games. The current provisions allow the LDA to draw down a lease for a period of two years between 2011 and 2013. The new proposal allows for a phased draw down of the land ahead of 2011 to facilitate the ODA delivery programme and provides for the LDA to take a long leasehold interest in the areas of land on which structures will be retained after the games. These leases are then subgranted back to LBH for the same period less one day. There are a number of instances where the LDA will need to grant a lease to a third party (electricity substation and wind turbine) the Supplemental Agreement provides for the subgrant back to LB Hackney of these areas of land subject to the overriding leases. All leases will be surrendered should the structures no longer be required.

There is a final fall back provision within the supplemental agreement for the LDA to acquire the freehold should there be a legal challenge, this transfer will be for nil consideration and will be transferred back should the structures no longer remain.

VALUATION

It has been agreed that White Hart Field, Morris Field and Arena Field have only a nominal £1

value. The travellers site at Waterden Road will be valued as industrial land and in accordance with the compensation code.

COMPARABLES

SITE AREA (not yet agreed)

The total site area is -----ha (----- acres)

RECOMMENDATION

That terms contained in this report for the agreement to acquire land from LB Hackney be agreed.

ADDENDUM (1)

I recommend that the LDA take an early lease of part of East Marsh to facilitate the ODA programme and stockpiling requirements.

ADDENDUM (2):

I recommend that the LDA enter into the proposed Supplemental Agreement in order to facilitate the ODA delivery programme and overcome the common land restrictions to development on East Marsh.

Previous valuation now to be superseded:	AoT Ref: AOT62	Date: 02/08/06
Recommended By: <i>S. Hirsch</i> SOPHIE HIRSCH MRICS	Surveyor	Date: 16 th December 2009
APPROVED BY: <i>[Signature]</i> KENNARD		16 th December 2009
	Director of Development - Olympics	Date: 16/12/09

1. Recommendations

- 1.1. To confirm the terms for the agreement to acquire interests in all the parcels of land listed in paragraph 3.1 within the Olympic Zone from London Borough of Hackney on terms as set down in paragraph 4 below.

2. Summary

- 2.1. There are a number of plots within the CPO boundary which belong to London Borough of Hackney. The LDA has been negotiating for some time with the Borough to reach terms for agreement under which the plots can be acquired without recourse to the CPO. The terms of the agreement reached are set down below so that the necessary documentation can be drafted, agreed and completed.
- 2.2. Only the major land interests belonging to the London Borough of Hackney are contained in this agreement. The remaining Hackney interests which are presumed highway subsoil rights will be transferred under the CPO process and none are identified as having any monetary value.

3. Background

- 3.1. There are a number plots within the ownership of LB Hackney within the Olympic Zone. The LDA and LB Hackney have been negotiating over the terms for the disposal of the land by agreement and in advance of the confirmation of the CPO. Set down below in paragraph 4 are the terms of the acquisition as provisionally agreed. Many of the parcels of land are small and of insignificant value in monetary terms and will be taken by the Agency under the CPO. However the following are of particular note in terms of size or importance and are covered in the agreement:-

East Marsh	Plots 6,7	Playing Fields
White Hart Field	Plots 10,110	Playing Fields
Morris Field	Plot 21	Playing Fields
Arena Field	Plots 40,42,43,44,56	Playing Fields
Waterden Road	Plot 45	Travellers Site
South of Eastway	Plot 17,18	Open space/Highway
Gainsborough School	Plot 67	School site for bridge

In detail, the following issues regarding these sites are important:-

East Marsh

The LDA will take a lease only to be for a period commencing May 2011 until August 2013 for the purposes of a coach/car/cycle park. The dates can be varied if mutually agreed between the parties acting reasonably for the delivery of the Olympic Games. The LDA will ensure replacement of the pitches on land within the Main Marsh on land designated by LB Hackney and will further procure the return the East Marsh to playing fields after the Games. LB Hackney have asked that the replacement temporary pitches should be provided by LDA or their successors by August 2009.

The Agency or its successor will be required to enter into a deposit deed prior to the start of the lease in a sum which is reasonable estimate of the cost of restitution of East Marsh after the Games to ensure the restoration of the playing fields after the Games is satisfactorily completed. The lands needed for the footings of the pedestrian bridge can be called for freehold as and when needed. The bridge must be constructed only if the East Marsh lands are taken on lease for the coach park. There will be no consideration for the lease. LB Hackney have also asked for assurances regarding the preservation of trees at East Marsh. Commitment has been given regarding this in the form of an assurance that as many trees as possible will be preserved, any trees removed will be replaced with a similar species but not necessarily of a similar age, in accordance with a mutually agreed replacement plan and trees on site will be protected as far as possible during working periods and during the Games.

White Hart Field/Morris Field/Arena Field

These are areas of open space presently used for sports pitches and general and informal recreation. LB Hackney will be obliged to transfer the freeholds of this land to LDA when called for and in recompense the LDA will make financial contribution to the Marshes Sports Development Strategy and other works to local open spaces (details in para 4 below) and will further ensure that an equivalent amount of open space is transferred freehold to LB Hackney in the legacy period after the Games have finished.

Waterden Road

This is a site for travellers and discussions are in hand with both LB Hackney and the occupiers to find suitable alternative locations for the relocation of this facility. Under the terms of the proposed agreement these discussions will continue but ultimately if no agreement is reached the CPO will be used to both take the freehold of the land and achieve vacant possession of the site before the July 2007 deadline date. The LDA is committed to use CPO powers if reasonably necessary to achieve an alternative site for the travellers. The LDA will also pay the reasonable costs incurred by LB Hackney in the laying out of the Alternative traveller's site or sites as well as funding any necessary acquisition. The costs of the acquisition of the lands shall be deducted from the market value of the Waterden Road site in compensation discussions. If the cost of acquisition of alternative sites is more than the value of Waterden Road then there will be no balance payable by LB Hackney provided that the pitches reasonably laid out on the new site(s) are of the same number as at Waterden Road. LB Hackney shall pay a balancing sum for any additional pitches.

- 3.2. LB Hackney have not so far objected formally to the CPO although they are entitled to do so if they believe that they can make a valid objection which they would wish to be heard. Whilst negotiations are continuing favourably they have so far not made any representations either to the Secretary of State or the Inspector. If the terms set down below can be agreed then LB Hackney will be prevented from objecting and a joint press release will be agreed on the signing of this agreement.
- 3.3. Negotiations with LB Hackney have largely revolved around the mitigation required by Hackney for the loss of the recreational open space lost in the short term. The Borough have asked for some contributions to be made available for use on Hackney land outside the Zone and which will benefit Borough residents and will soften the loss of the lands to the Olympic Park until the replacement open space can be transferred to LB Hackney in the legacy after the Games have finished. The terms are shown in para 4 below.

4. Terms

- 4.1. The LDA shall have the right to call for the transfer of any of the LB Hackney lands specified in the agreement subject to the payment of market value according to the compensation code. The recreation grounds at Morris Fields, Arena Fields and White Hart Fields have already been agreed at a £1 each. It is noted that LB Hackney will need to satisfy statutory conditions regarding advertising their intention to dispose prior to any transfer to the LDA. The agreement provides for a process by LB Hackney to satisfy this legislation such that transfer is not unduly delayed although the process will not commence until 1st September 2006.
- 4.2. LB Hackney shall be prevented from objecting to the CPO regarding the Games.
- 4.3. The LDA shall cooperate with the occupiers of the traveller's site and LB Hackney regarding alternative sites. The LDA will be obliged to use CPO powers to provide a suitable alternative site if reasonably necessary with the cost of acquisition being deducted from the land value agreed for Waterden Road. The LDA shall procure the laying out and fund the cost of the replacement sites. If an existing LB Hackney site is used for a replacement site, a suitable valuation judgement will be made to reflect its value when agreeing compensation for Waterden Road. If an LDA site is identified a market valuation will be agreed to offset the value of the Waterden Road site.
- 4.4. The LDA shall have the right to take on lease East Marsh playing fields for a period from May 2011 until August 2013 or As shall be mutually agreed to be necessary for the delivery of the Games. As a condition of the grant of the lease, at a peppercorn rent, the LDA shall be responsible to procure the reinstatement of East Marsh to suitable playing field capability after the Games. The LDA or its successors shall be required prior to the grant of the East Marsh lease to enter into a deposit deed to ensure the reinstatement of the East Marsh after the Games are over. The LDA shall also have the right to call for such lands as it requires for the placement of the footings for a landbridge to connect East Marsh with the Olympic Park. This is a commitment subject to the call down of the East Marsh lands for the temporary coach park.
- 4.5. The LDA shall agree that in the post Games period that an area of land developed as open space and of equivalent in size, condition and use value to the public open space taken into the Olympic Zone shall be transferred to LB Hackney. The land must be located within the LB Hackney boundary as shown outlined in black on the attached plan. In order to ensure that the obligation to transfer the land back is secure the parcel of land now occupied by the travellers shall be subject to a restriction of further transfer, with the exception of lease/licence for less than 10 years, without LB Hackney consent. As the transfer to ODA will likely be less than 10 years and as the present legacy plan shows the travellers site as open space this restriction is not considered to be

onerous and will not restrict the LDA/ODA ability to progress developments in legacy.

- 4.6. The LDA and LB Hackney shall negotiate to agree a programme of works for the Main Marsh and Mabley Green to enhance the use of that open space including improvements to the pitches, providing changing rooms for all classes of user, environmental and conservation improvements and other aspects which LDA and LB Hackney shall agree. The LDA shall contribute £1million towards the cost of the works and shall further contribute match funding to equal contributions to LB Hackney up to a maximum of a further £1million. This is in recognition of the loss of open space and playing fields to Hackney residents whilst the Olympic facilities are being developed. LDA and LB Hackney have until May 2007 to agree on the programme of works after which the monies shall be placed in an escrow account to joint signatories and further negotiations shall continue towards the agreement of the works. It should be noted that an LDA contribution was always envisaged in any event to mitigate loss of open space to LB Hackney residents during the run up to the Games and the terms of this agreement reflect the incorporation of the commitment already given to LB Hackney.
- 4.7. There shall be a further contribution by LDA of £1million to be placed in a further escrow account to joint signatories which will be used for the funding of recreation facilities in LB Hackney but in the neighbourhood of the Olympic Park.
- 4.8. The programme of works in paragraph 4.6 above includes the facility to improve the pitches sufficiently to replace the loss of the pitches as a result of the temporary loss of the 11 pitches on East marsh. However if the programme of works decided upon does not include the improvement of pitches sufficient to replace the lost fields the LDA will procure the replacement 11 pitches on land designated by LB Hackney on the Main Marsh subject to a total cost limit on LDA of £360,000 including VAT. (THIS IS UNDER DISCUSSION)
- 4.9. The agreement will be in a form and include such terms as the parties may agree.

5. Financial Implications

- 5.1. Under the terms of the proposed agreement the LDA will be committed to paying a maximum of £3,360,000 to fulfil the terms of the agreement shown in this report. The likely timing of the expenditure will be within the profile shown in the table below:-

	Financial year 06/07	Financial year 07/08	Financial year 2008/2009	Total (£'000)
Expenditure				
Capital	£3,000,000	£3,000,000	£360,000	£3,360,000

	Financial year 06/07	Financial year 07/08	Financial year 2008/2009	Total (£'000)
Revenue	-	-	-	-
Total Expenditure	£3,000,000	£3,000,000	£360,000	£3,360,000

The sums can be accommodated within existing capital budgets in the control of the Director of Development – Olympics.

6. Legal Implications

Under section 20 of the Regional Development Agencies Act 1998 the Agency has power to acquire land mentioned for the purpose of regeneration and development and purposes incidental thereto, by agreement, or through the CPO. The normal requirement to provide equivalent reinstatement land or (if not) to go through special parliamentary procedure to approve the acquisition where commons, open spaces and allotments are concerned, has been lifted by section 36 London Olympic Games and Paralympic Games Act 2006.