

Hackney Marshes – Land Agreement

Heads of Terms

Set out below are the key heads of terms linked to phased drawdown:

Background

The London Development Agency (LDA) and the London Borough of Hackney (LBH) entered into a legal agreement in 2006 in relation to the:

- transfer of the freehold of Arena Fields and other open space to the LDA
- leasing of East Marsh to the LDA between May 2011 and August 2013
- provision of financial compensation to LBH for the temporary loss of land and football pitches (£2.36m)

This relationship was driven by

- the need for the Olympic Delivery Authority (ODA) to construct the northern transport mall on LBH land (East Marsh) as a result of the Olympic Games;
- and to ensure that existing users of East Marsh, specifically, football league players would have suitable alternative sports provision provided elsewhere on Hackney Marshes.

Since this time LBH have worked closely with the LDA and a number of funders to deliver significant site development proposals linked to improving existing sporting provision on Hackney Marshes. The objectives of this development are captured in the Hackney Marshes Sports Development Strategy (Appendix 1).

Objective

To clarify the provisions of the 2006 Land Deal, specifically around the provision of financial compensation (by the LDA) to LBH for the temporary loss of land and football pitches (£2.36m).

Site development

The project will adopt a phased approach to construction:

Phase 1:

- South Marsh Hub (associated landscaping and car parking)
- Pitch improvements on the main Marsh.
- Cow Bridge (to allow vehicular access to North Marsh)

Phase 2:

- North Marsh (improved changing provision and cricket facilities)
- Mabley Green (synthetic turf pitch (3G), plus changing provision)
- East Marsh/South Marsh bridge

Both phases are captured in the Hackney Marshes Masterplans (Appendices 2,3,4), and reflected in the project cost breakdown, which includes capital costs and fees; and funding packages (Appendix 5).

Agreed strategies

The parties hereby acknowledge that the Hackney Marshes Sports Development Strategy (Appendix 1), Marshes LDA info February 2010 (Appendix 5), South Marsh construction programme (Appendix 6), HM programme of works – pitch works (Appendix 9) together represent the Programme of Works

Progress	<p>Phase 1 has begun:</p> <ul style="list-style-type: none"> - Detailed design and procurement is complete. Construction activities related to the South Marsh Hub began on site in December 2009, with estimated completion in August 2010. Key milestones are shown in the associated project plan (Appendices 6, 7, 8). - Detailed design and procurement is complete. Pitch construction works have been undertaken, with the pitches being available for use in September 2010. Progress is captured in the technical work programme. (Appendix 9). - Cow Bridge building works will commence in August 2010 with an estimated completion date of December 2010. An Approval in Principle (feasibility study) has been completed (Appendix 10), and works developing the procurement strategy are now underway.
Financial viability	LBH have committed to funding any operational deficit on the facility (Appendix 11), and not to bring any claim against LDA/OPLC
Quality	Pitch improvement works have resulted in a higher technical standard being put in place by LBH, specifically, the Football Associations Performance Quality Standard. LBH have committed to maintaining this standard (Appendix 12) until September 2013.
Usage	LBH will guarantee to OPLC that current users of East Marsh will have priority use of the improved pitches (delivered under Phase 1). Specifically, these pitches will cater for the identified existing users who will be displaced from East Marsh between May 2011 and August 2013 as a result of ODA activities, and the Olympic Games.
Payment	<p>Payment will be released in line with the attached payment profile (Appendix 13) agreed with LBH:</p> <ul style="list-style-type: none"> - Identifying LBH total expenditure - Linked to key activities (£1m on sub structure; immediate release of £360k spent by LBH in relation to pitch works) - Additional £1m when LBH have spent £1m (conditional on match funding from LBH) <p>Pre-condition to final phase payment: LBH to provide tender report and programme of works for Cow Bridge; confirm appointment of contractor</p> <p>Claim period: quarterly (payment within 28 days)</p>
Monitoring	'Light touch' progress reports to be provided by LBH quarterly detailing: costs incurred in period; payments made; current progress against programme; risks and issues.
Publicity	Acknowledgement of LDA/OPLC support, logo, all publicity, literature, etc
Appendices	<ol style="list-style-type: none"> 1. Hackney Marshes Sports Development Strategy 2. Hackney Marsh Sports Offer 3. Marsh Masterplan Landscape Zones 4. Masterplan labelled 5. Marshes LDA info February 2010 6. South Marsh construction programme 7. LBH Procurement Strategy 8. South Marsh Hub Tender Report 9. HM programme of works – pitch works 10. Cow Bridge feasibility study 11. HM revenue deficit funding 12. Performance Quality Standard 13. HM Payment profile