

From: Mark Dance, Cabinet Member for Economic Development
Barbara Cooper, Corporate Director for Growth, Environment and Transport

To: Growth, Economic Development and Communities Cabinet Committee – 1 December 2015

Subject: **To approve a Deed of Variation to the Operator Agreement between KCC and Cyclopark Trust for the operation of the park.**

Decision: **15/00088**

Classification: **Unrestricted**

Past Pathway of Paper: N/A

Future Pathway of Paper: For Cabinet Member Decision

Summary:

Cyclopark opened in May 2012 as legacy project to the London Olympic and Paralympic Games. The park is owned by KCC and managed by the Cyclopark Trust through a contractual arrangement - the 'Operator Agreement'. A Deed of Variation to the Operator Agreement is required to extend Cyclopark's responsibility for managing additional landholdings and to enable the Trust to draw down an annual sum for the development and upkeep of this additional land.

Recommendation:

The Growth, Economic Development and Communities Cabinet Committee is asked to consider and endorse, or make recommendations to the Cabinet Member for Economic Development on the proposed decision to agree to enter into a Deed of Variation to the Operator Agreement for the Cyclopark Trust to take on the additional lease and funding arrangements as attached at Appendix B.

1 Background

- 1.1 Cyclopark is a unique 43 acre sports and community facility built on redundant land made available as a result of the realignment of the A2 trunk road south of Gravesend. The park opened in May 2012, as a legacy project to the London Olympic and Paralympic Games and has subsequently been operated on KCC's behalf by a charitable trust specifically established for the purpose.
- 1.2 KCC, as the developer of the project on behalf of other local and national funding providers and stakeholders, has an existing contractual arrangement with Cyclopark Trust, the Operator Agreement, which covers lease of the land, commuted sum funding from (the then) Highways Agency and wider funding and operating arrangements. Changes to the Operator Agreement require a Deed of Variation to be approved by both.

2 Leases

- 2.1 Most of the land occupied by Cyclopark was made available to KCC by the Highways Agency (HA). The first tranche was released to enable the development and the second tranche (largely the parkland element to the east of the site) was transferred fully into KCC ownership in 2013. The land is managed by KCC in collaboration with Cyclopark on behalf of HA.
- 2.2 The HA land transfer was accompanied by a commuted sum totalling £500,000 paid in two stages, to support the management in perpetuity of the landscape scheme and cycleway and footpaths. The first payment was received early in the project development with the first transfer of HA land and the remaining sum was received with the transfer of the second tranche of land in 2013. This sum is held by KCC and an annual allocation is made to Cyclopark which varies according to need but is in the region of £35,000 per annum.
- 2.3 A further small tranche of land was also acquired by KCC in 2013, from London and Continental Railways in order to secure control and access of the landholdings within the overall footprint of Cyclopark to protect future operation and potential for the project.
- 2.4 The additional land holdings will be leased to Cyclopark Trust under the same terms as the original lease and in accordance with the Operator Agreement. The change to the Operator Agreement will enable the Trust to further develop and improve the leisure and sports experience for all users and increase participation in sports and recreation.

3 Funding

- 3.1 As part of the Operator Agreement, KCC contributes £125,000 per annum towards operating costs. In 2012, additional funding of up to £120,000 per annum for the three year period to March 2015 was provided under the MTFP. This was to ensure that the new venture was appropriately supported to survive its initial years and work towards a financially sustainable future; and in so doing, protect KCC's significant investment in the project. This sum is repayable to KCC within 18 months of the final payment should the Cyclopark Trust's budget demonstrate a sustained and robust position and subject to such a repayment having no materially detrimental effects on the operation of Cyclopark.
- 3.2 Once transfer under lease of the second tranche of HA land is completed Cyclopark Trust will have access to an annual payment from the additional commuted sum allocated for upkeep. This is likely to be in the region of £35,000 per annum.

4 Deed of Variation – Legal Implications

- 4.1 A Deed of Variation to the Operator Agreement between KCC and Cyclopark Trust is required to formally take account of:
- the additional land lease to Cyclopark Trust
 - the original MTFP funding; and

- future allocations to Cyclopark Trust from the commuted sum held by KCC.

4.2 A copy of the proposed Deed of Variation is attached at Appendix A and has been developed by KCC Legal Service and agreed, in principle, by Cyclopark Trust's legal representatives.

5. Equalities Implications

5.1 There are no equality implications for the decision.

6. Recommendation:

6.1 The Growth, Economic Development and Communities Cabinet Committee is asked to consider and endorse, or make recommendations to the Cabinet Member for Economic Development on the proposed decision to enter into Deed of Variation to the Operator Agreement for Cyclopark Trust for additional lease and funding arrangements as attached at Appendix B

7. Background Documents

- 7.1 Appendix A - Draft Deed of Variation.
7.2 Appendix B – Proposed Record of Decision

8. Contact details

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