



Markets Committee

Date: WEDNESDAY, 7 NOVEMBER 2018
Time: 11.30 am
Venue: COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

Members:

James Tumbridge (Chairman)	Deputy Edward Lord
John Chapman (Deputy Chairman)	Alderman Nicholas Lyons
Rehana Ameer	Alderman Professor Michael Mainelli
Tom Anderson	Wendy Mead
Adrian Bastow	Deputy Robert Merrett
Matthew Bell	Andrien Meyers
Peter Bennett	Deputy Brian Mooney
Nicholas Bensted-Smith	Benjamin Murphy
Mark Bostock	Deputy Joyce Nash
Richard Crossan	John Petrie
Deputy Kevin Everett	Stephen Quilter
Sophie Anne Fernandes	John Scott (Chief Commoner)
Michael Hudson	Ian Seaton
Deputy Henry Jones	Deputy Dr Giles Shilson
Angus Knowles-Cutler	Deputy Tom Sleigh
Gregory Lawrence	Mark Wheatley
Tim Levene	

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Lunch will be served in the Guildhall Club at 1pm
N.B. Part of this meeting could be the subject of audio or visual recording

John Barradell
Town Clerk and Chief Executive

AGENDA

Part 1 - Public Agenda

1. **APOLOGIES**
2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
3. **PUBLIC MINUTES**
To agree the public minutes of the meeting held on 5 September 2018.
For Decision
(Pages 1 - 6)
4. **MARKETS COMMITTEE RISK**
Report of the Director of Markets and Consumer Protection.
For Information
(Pages 7 - 12)
5. **SUPERINTENDENTS ORAL UPDATES**
The Superintendents to be heard.
For Information
6. **WEST SMITHFIELD AND CHARTERHOUSE STREET (THAMESLINK) BRIDGES REMEDIAL WORKS**
Report of the Director of the Built Environment.
For Information
(Pages 13 - 38)
7. **ENTRY BARRIER - NEW SPITALFIELDS MARKET**
Report of the Director of Markets and Consumer Protection.
For Information
(Pages 39 - 44)
8. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
9. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
10. **EXCLUSION OF THE PUBLIC**
MOTION - That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.

Part 2 - Non-Public Agenda

11. **NON-PUBLIC MINUTES**
To agree the non-public minutes of the meeting held on 5 September 2018.
For Decision
(Pages 45 - 48)
12. **MARKETS CONSOLIDATION PROGRAMME- PROGRESS REPORT**
Joint report of the City Surveyor and the Director of Markets and Consumer Protection.
For Decision
(Pages 49 - 72)
13. **MARKETS CONSOLIDATION PROGRAMME - PROPOSED MEMORANDUM OF UNDERSTANDING WITH LONDON BOROUGH OF TOWER HAMLETS**
Report of the City Surveyor.
For Decision
(Pages 73 - 88)
14. **SPITALFIELDS MARKET LEASE RENEWALS**
Report of the City Surveyor.
For Decision
(Pages 89 - 96)
15. **DEBT ARREARS MARKETS - PERIOD ENDING 30TH SEPTEMBER 2018**
Report of the Director of Markets and Consumer Protection.
For Information
(Pages 97 - 106)
16. **NON PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
17. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

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MARKETS COMMITTEE

Wednesday, 5 September 2018

Minutes of the meeting of the Markets Committee held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Wednesday, 5 September 2018 at 11.30 am

Present

Members:

James Tumbridge (Chairman)	Deputy Robert Merrett
John Chapman (Deputy Chairman)	Andrien Meyers
Matthew Bell	Deputy Brian Mooney
Peter Bennett	Benjamin Murphy
Mark Bostock	John Petrie
Deputy Kevin Everett	Stephen Quilter
Deputy Henry Jones	Deputy Dr Giles Shilson
Deputy Edward Lord	Deputy Tom Sleigh
Alderman Nicholas Lyons	Mark Wheatley
Alderman Professor Michael Mainelli	

In Attendance

Officers:

Martin Newton	- Town Clerk's Department
Steven Chandler	- City Surveyor's Department
Mark Sherlock	- Superintendent, Smithfield Market
Ben Milligan	- Superintendent, New Spitalfields Market
Paul Hickson	- Comptroller and City Solicitors Department
David Smith	- Director of Markets and Consumer Protection
Jon Averbs	- Markets and Consumer Protection Department
Donald Perry	- Markets and Consumer Protection Department
Daniel Ritchie	- Superintendent, Billingsgate Market
Leyla Dervish	- Chamberlain's Department
Anna Dunne	- Programme Director
Peter Young	- City Surveyor's Department
Emma Beard	- Markets and Consumer Protection Department
Julie Smith	- Chamberlain's Department

1. APOLOGIES

Apologies were received from Nicholas Benstead-Smith, Sophie Fernandes, Michael Hudson, Gregory Lawrence, Tim Levene, Deputy Nash and the Chief Commoner.

2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

There were no declarations.

3. **PUBLIC MINUTES**

RESOLVED – That the public minutes of the meeting held on 11 July 2018 be approved as a correct record.

4. **ORDER OF BUSINESS**

Upon the motion of the Chairman, and with the agreement of the Committee, it was

RESOLVED – That the order of the published agenda be varied to consider items 7, 8, 11, 12 and 13 first.

5. **CHRISTMAS 2018 - SMITHFIELD MARKET TRAFFIC MANAGEMENT PLAN**

The Committee considered the report by the Superintendent, Smithfield Market on the Christmas 2018 traffic management plan for the market.

RESOLVED – That the Committee

(a) approve the overall concept of the Traffic Management Plan attached to the report and delegate authority to the Director or Superintendent, Smithfield Market to make any necessary minor amendments to the plan.

(b) agree to fund the additional traffic control measures such as the appointment of private stewards outlined in the report from the Smithfield central risk budget.

6. **BILLINGSGATE MARKET CONSULTATIVE ADVISORY COMMITTEE**

On the Billingsgate Market Consultative Advisory Committee, the Director of Markets and Consumer Protection (DMCP) reported on the requirement to convene a meeting of that body with regard to consultation on the Strategic Review of Markets consolidation programme. Following discussion, it was

RESOLVED – That the Chairman and Deputy Chairman of the Markets Committee, the Director of Markets and Consumer Protection and the Superintendent, Billingsgate Market be formally appointed as the Corporation's four representatives on the Billingsgate Market Consultative Advisory Committee, with the Programme Director to also attend meetings in an advisory capacity.

7. **EXCLUSION OF THE PUBLIC**

RESOLVED – That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for items 12 and 13 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part I of Schedule 12A of the Local Government Act.

8. **NON-PUBLIC MINUTES**

RESOLVED – That the non-public minutes of the meeting held on 11 July 2018 be approved as a correct record, subject to minor amendment.

9. **MARKETS CONSOLIDATION PROGRAMME**

The Committee considered the joint report by the City Surveyor and the DMCP on the Markets Consolidation Programme.

10. **ORDER OF BUSINESS**

The Committee then returned to public session (at 12.10pm).

Deputy Lord left the meeting at this point.

11. **MARKETS COMMITTEE RISK**

The Committee considered the report of the DMCP on Markets Committee Risk.

RECEIVED.

12. **SUPERINTENDENTS ORAL UPDATES**

The Chairman having invited the Superintendents to speak, the following matters were raised:-

Billingsgate

- Noted that a meeting would be held next week with the LFMA on cleaning / maintenance issues.
- A GVA consultant had recently visited the market to interview tenants on wholesale / retail matters.

New Spitalfields

- On the entry barrier, it was noted that a gateway report had previously been submitted to the Committee. A proposed entry charge of £1 or £2 was anticipated to raise up to £460,000 a year which could be used for ongoing maintenance / capital projects / service charge subsidy. The barrier would also deter unauthorised users of the market. Arguments against the barrier included discouraging custom. Tenants had originally been against the proposal but were now in favour.

The Chairman asked that this matter be the subject of a written report (that has also gone to tenants) to the next meeting.

Smithfield

- The Superintendent referred to the previously circulated briefing note about the recent fire. He reported that the fire brigade had returned to investigate the incident and were satisfied with their findings and the

procedures adopted by the market. The matter was now in the hands of the Corporation's insurers.

- Members noted the success of the Smithfield 150 celebrations on the August bank holiday weekend despite the poor weather on the Sunday. The Chairman asked that the Committee's thanks be recorded for the organisation of the event.

13. MARKETS BUSINESS PLAN UPDATE

The Committee had before them the Markets Business Plan Update report by the DMCP. The following matters were raised:-

- On page 14 of the agenda pack and the shortfall in budgets due to reduced lettings, the DMCP referred Members to the note on page 27 on the appendix to the report that explained the position.
- The Superintendent, New Spitalfields informed the Committee of details of overseas visitors to the market.

RECEIVED.

14. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE

There were no questions.

15. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

With the approval of the Chairman, the Committee considered the late report by the DMCP on Smithfield Market Car Park Utilisation.

RECEIVED.

16. EXCLUSION OF THE PUBLIC

RESOLVED – That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the remaining items on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part I of Schedule 12A of the Local Government Act.

17. CONCESSIONARY PARKING AT SMITHFIELD MARKET DURING THE CHRISTMAS PERIOD 2018

The Committee considered the report by the Superintendent, Smithfield Market on concessionary parking at the market at Christmas 2018.

18. CITY'S ESTATE - LETTING STRATEGY FOR COMMERCIAL OFFICES AT SMITHFIELD MARKET ACKNOWLEDGING THE STRATEGIC REVIEW OF THE CITY'S WHOLESALE MARKETS

The Committee considered the report by the City Surveyor on City's Estate - Letting Strategy for Commercial Offices at Smithfield Market acknowledging the Strategic Review of the City's Wholesale Markets.

19. **MUSEUM OF LONDON RELOCATION - PROJECT UPDATE**
The Committee had before them the report by the Town Clerk on the Museum of London relocation project update.
20. **MARKETS DEBT ARREARS**
The Committee considered the report by the DMCP on markets debt arrears.
21. **TENANCIES AT WILL AND ASSIGNMENTS**
The Committee considered the report by the DMCP on tenancies at will and assignments.
22. **NON PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
There were no questions.
23. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**
With the agreement of the Chairman, urgent non-public matters were raised.

The meeting ended at 12.47 pm

Chairman

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Agenda Item 4

Committee: Markets Committee	Date: 7 November 2018
Subject: Markets Committee Risk	Public
Report of: Director of Markets and Consumer Protection	For Information
Report author: Donald Perry Department of Markets and Consumer Protection	

Summary

This report has been produced to provide the Markets Committee with assurance that risk management procedures in place within the Department of Markets and Consumer Protection are satisfactory and that they meet the requirements of the corporate Risk Management Framework.

Risk is reviewed regularly by the departmental Senior Management Team as part of the on-going management of operations within the Department of Markets and Consumer Protection. In addition to the flexibility for emerging risks to be raised as they are identified, a process exists for in-depth periodic review of the risk register.

The Department of Markets and Consumer Protection have identified a number of departmental risks. Of these, the most significant risks for this Committee to consider are:

- MCP-NS 001 – Workplace Traffic Management, New Spitalfields (Current Risk: AMBER)
- MCP-SM 001 – HGV Unloading Operations, Smithfield (Current Risk: AMBER)

Recommendation(s)

Members are asked to:

- Note the report and the actions taken in the Department of Markets and Consumer Protection to monitor, and manage effectively, risks arising from our operations.

Main Report

Background

1. The Risk Management Framework of the City of London Corporation requires each Chief Officer to report regularly to Committee the key risks faced in their department.

Current Position

2. This report provides an update of the key risks that exist in relation to the operations of the wholesale markets within the Department of Markets and Consumer Protection. The report also outlines the processes adopted for the on-going review of risk and mitigating actions.

Risk Management Process

3. The Department of Markets and Consumer Protection risk management is a standing agenda item at the regular Departmental Senior Management Group (SMG) meeting, over and above the suggested quarterly review. SMG receives the risk register for review, together with a briefing note highlighting any changes since the previous review. Consideration is also given as to whether any emerging risks exist for inclusion in the risk register as part of Divisional updates on key issues from each of the Superintendents and Assistant Directors, ensuring that adequate consideration is given to operational risk.
4. Between each SMG meeting, risk and control owners are consulted regarding the risks for which they are responsible, with updates captured accordingly.
5. Regular risk management update reports are provided to this Committee in accordance with the City's Risk Management Framework.

Identification of New Risks

6. New and emerging risks are identified through a number of channels, the main being:
 - Directly by SMG as part of the regular review process.
 - In response to regular review of delivery of the departmental Business Plan; slippage against key deliverables, for example.
 - Annual, fundamental, risk register review, undertaken by the tier of management below SMG.

The risk register may be refreshed over and above the stated process for review and oversight, in response to emerging issues or changing circumstances.

Summary of Key Risks

7. The Department of Markets and Consumer Protection's Risk Register for Markets, attached as Appendix 1 to this report, has two AMBER risks.

MCP-NS 001 – Workplace Traffic Management New Spitalfields (Current Risk: AMBER constant)

Over 200 forklift trucks are in operation on the New Spitalfields Market site.

An accident involving a pedestrian and a vehicle which resulted in a serious or life changing injury could result in prosecution, a fine, reputational damage for the City and have an adverse impact on the operation and sustainability of the service.

As of these activities are undertaken in an area under the direct control of the City, an accident involving a pedestrian and a vehicle which resulted in a serious or life changing injury could result in prosecution, a fine, reputational damage for the City.

MCP-SM 001 – HGV Unloading Operations Smithfield (Current Risk: AMBER constant)

A lack of suitable and sufficient training and adequate management controls in relation to Heavy Goods Vehicle banksman activities, undertaken by staff employed by Smithfield Market tenants, on an area under the overall control of the City, could

result in a serious or life changing injury to pedestrians, caused by uncontrolled or unguided reversing vehicles.

An accident involving a pedestrian and a vehicle which resulted in a serious or life changing injury could result in prosecution, a fine, reputational damage for the City and have an adverse impact on the operation and sustainability of the service.

Having reduced the risk to its target level of 12, consideration has been given to whether there is an opportunity to reduce the target risk level further. The risk owner, the Superintendent, has reviewed the prevailing site conditions, and the feasibility of introducing additional controls that could reduce the risk further, and considers that the risk is currently being managed at the lowest achievable level, given the unique inner-city environment. The situation will be kept under regular review.

Conclusion

8. Members are asked to note that risk management processes within the Department of Markets and Consumer Protection adhere to the requirements of the City Corporation's Risk Management Framework. Risks identified within the operational and strategic responsibilities of the Department of Markets and Consumer Protection are proactively managed.

Appendices

- Appendix A – Markets Risk Register Summary

Background Papers

Department Business Plan
Department Risk Review
Department Business Plan Progress Report
Risk Management Strategy

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Billingsgate Market:
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MCP Markets Committee Risk Report Appendix A

Report Author: Donald Perry

Generated on: 24 October 2018



Rows are sorted by Risk Score

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
MCP-NS 001 Workplace Traffic Management 24-Feb-2015 Ben Milligan	Cause: Over 200 forklift trucks operate on the New Spitalfields Market site. Event: There is a serious risk of life changing injury to a pedestrian if vehicle movements in this constrained space are not appropriately managed and controlled. Effect: An accident involving a pedestrian and a vehicle which resulted in a serious or life changing injury could result in prosecution, a fine, reputational damage for the City and have an adverse impact on the operation and sustainability of the service.	Likelihood Impact	12	Two meetings between the SpMTA and the proposed training provider have taken place and the superintendent has also met with the training provider to ensure that training at the right level is delivered. The SpMTA are to advise when the training sessions have been planned. 15 Oct 2018	Likelihood Impact	8	31-Dec-2018	Constant

Action no	Description	Latest Note	Action owner	Latest Note Date	Due Date
MCP-NS 001i	A member of staff from all tenants to be nominated and trained in FLT safety procedures.	The SpMTA have held meetings with the training provider and the superintendent has given details of our expectations.	Ben Milligan	18-Oct-2018	31-Dec-2018
MCP-NS 001k	Controlled barriers entry system for pedestrians and vehicles.	The installers have completed detailed surveys and will present scheme for approval before seeking planning permission.	Ben Milligan	18-Oct-2018	31-Dec-2018

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Agenda Item 6

Committees:		Dates:
<ul style="list-style-type: none"> • CWP Peer Review Group • Corporate Projects Board • Corporate Asset Sub Committee • Planning & Transportation Committee • Projects Sub Committee • Markets Committee (for information) 		26 July 2018 21 August 2018 05 September 2018 11 September 2018 12 September 2018 07 November 2018
Subject: West Smithfield and Charterhouse Street (Thameslink) Bridges Remedial Works	Gateway 1-4 Project Proposal & Options Appraisals Regular	Public
Report of: Director of the Built Environment Report Author: Mark Bailey		For Decision <u>Markets Committee – for information</u>

This project relates to essential structural maintenance and repairs at two highway structures over the Thameslink railway near Smithfield Market.

The report does not follow the standard Gateway format, in that it combines stages 1 to 4 in a single report. As works to the bridges are identified in the committee-approved Cyclical Works Programme (CWP) at less than £250,000, the project would not normally be brought to committee in its own right, although it is considered as already having satisfied the requirements of Gateways 1 and 2 under approval of the CWP.

However, the estimated project budget now exceeds £250,000 and this report seeks approval to combine funding from the Cyclical Works Programme (CWP), the Additional Works Programme (AWP) and the Additional Capital Funds for City Fund Properties Programme.

Recommendations

It is recommended that:-

- Option 2 from the Options Appraisal Table is approved (i.e. full programme of works identified to both bridges)
- The project budget of £684,000 is approved (inclusive of £100,000 risk allowance)
- Currently approved Cyclical Works Programme (CWP) funding of £230,000 is transferred to this project and managed under the Gateway project procedures
- Additional funding of £323,000 from the Additional Capital Funds for City Fund Properties Programme (as approved by RASC 18th January 2018) is allocated to the project & managed under the Gateway project procedures

- e) Additional funding of £131,000 from savings in the 2016/17 Additional Works Programme (AWP) is allocated to the project and managed under the Gateway project procedures

1. Approval track and next Gateway	Approval track: 2. Regular Next Gateway: Gateway 5 – Authority to Start Work																																										
2. Resource requirements to reach next Gateway	<p><u>Table 1: Resource requirements to reach Gateway 5</u></p> <table> <tr> <th>Item</th><th>Reason</th><th>Funds/ Source of Funding</th><th>Cost (£)</th></tr> <tr> <td>Staff costs</td><td>Project Management and coordination</td><td>Not requested as part of project (taken from local risk)</td><td>27,000 <i>but excluded for CWP projects</i></td></tr> <tr> <td colspan="3">Staff Costs total (not requested)</td><td>27,000</td></tr> <tr> <td>Consultant fees <i>(note)</i></td><td>Design and detailing</td><td>CWP</td><td>20,000</td></tr> <tr> <td>Consultant fees <i>(note)</i></td><td>CDM Principal Designer</td><td>CWP</td><td>5,000</td></tr> <tr> <td>Consultant fees <i>(note)</i></td><td>Quantity Surveyor & Network Rail Planner</td><td>CWP</td><td>18,000</td></tr> <tr> <td>Investigations</td><td>To inform design and mitigate risks</td><td>CWP</td><td>40,000</td></tr> <tr> <td>Network Rail Management Costs</td><td>Project Management</td><td>CWP</td><td>27,000</td></tr> <tr> <td>Network Rail</td><td>Advance access booking</td><td>CWP</td><td>120,000</td></tr> <tr> <td colspan="3">Project Costs Total (requested)</td><td>230,000</td></tr> </table> <p>As detailed more fully in Appendix 1, consultant fee estimates are based on a combination of:-</p> <p>a) tendered term contract % of estimated works value, pro-rata to GW5, where appropriate and/or</p>			Item	Reason	Funds/ Source of Funding	Cost (£)	Staff costs	Project Management and coordination	Not requested as part of project (taken from local risk)	27,000 <i>but excluded for CWP projects</i>	Staff Costs total (not requested)			27,000	Consultant fees <i>(note)</i>	Design and detailing	CWP	20,000	Consultant fees <i>(note)</i>	CDM Principal Designer	CWP	5,000	Consultant fees <i>(note)</i>	Quantity Surveyor & Network Rail Planner	CWP	18,000	Investigations	To inform design and mitigate risks	CWP	40,000	Network Rail Management Costs	Project Management	CWP	27,000	Network Rail	Advance access booking	CWP	120,000	Project Costs Total (requested)			230,000
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	b) experience on similar benchmarked projects, based on tendered hourly rates
3. Next steps	<p>3.1. Term consultant to complete detailed scheduling of works required, with specifications and details, following scheduled Principal Inspections of structures in Sept/Oct 2018</p> <p>3.2. Agree & place purchase order for “piggy-back” possession dates with Network Rail (i.e. utilising possessions already arranged by other 3rd parties)</p> <p>3.3. Prepare works tender documents</p> <p>3.4. Obtain tenders for works and submit GW5 report (provisionally April 2019)</p> <p>3.5. Continued coordination and discussions with the Museum of London relocation team on combining works contracts and possessions, to consider the City of London Corporations’ assets over the railway in their totality under a single project, to share commons costs and risks. To be reported back to committee as this develops further</p>

Project Summary

4. Context	<p>4.1. The City of London is responsible as a local authority for the maintenance of the highway bridges that carry Charterhouse Street and West Smithfield over the Network Rail Thameslink tracks, either side of Smithfield General Market.</p> <p>4.2. Both of these old structures are in fair condition, when judged against standard highway inspection criteria, but with some critical components reported as in very poor condition and requiring significant maintenance works</p> <p>4.3. The potential for spalling or otherwise loose concrete or brickwork to fall on the live railway exposes the City of London to significant risks. A full package of remedial works is therefore recommended to mitigate these risks</p> <p>4.4. West Smithfield Bridge is comprised of two spans and is formed by precast concrete decking units spanning between riveted wrought iron plate girders, which have been encased in concrete. Significant spalling of the concrete encasement to the girders has been reported, as well as significant spalling and loss of section for various precast concrete decking slabs.</p> <p>4.5. Charterhouse Street Bridge is comprised of a single span and is formed by masonry “jack” arches which span</p>
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	<p>between riveted wrought iron plate girders. The exposed bottom flanges of these girders have also been encased in concrete. Significant spalling of this encasement has also been reported, with the wrought iron girders exposed in certain areas. Various defects are also reported in the masonry jack-arches, including loss of pointing in many areas.</p> <p>4.6. Both bridges support Overhead Line Equipment (OLE) – to provide high voltage overhead electrical power to trains - in closer proximity to the bridge soffits than would normally occur on new railway bridges. It is uncertain whether the proximity of the OLE and high voltage field applied close to the structures has accelerated the rate of corrosion of the steel girders and deck reinforcement in the years since they were installed, although there is no scope for increasing clearance within the constraints of the existing structure and headroom.</p> <p>4.7. The defects to both bridges are a matter of record, as reported by the routine cycle of two-yearly structural inspections by the term consultant for the inspection and management of highway structures.</p> <p>4.8. It is considered to be in the City's interests to instigate repairs at the earliest opportunity to all high/medium defects and implement any works needed to arrest or reduce degradation of the structures.</p> <p>4.9. This includes provision of new waterproofing membranes to both bridges, to mitigate water ingress issues which have the potential to cause further defects to the structure</p>
5. Brief description of project	<p>5.1. The project involves major structural maintenance, repairs and waterproofing to both highway bridges over Network Rail (Thameslink) lines, carried out during rail possessions.</p> <p>5.2. These works were identified in the Forward Maintenance Plans that form part of the management of the Cyclical Works Programme (CWP), with £230,000 of funds successfully bid for the 2017/18 financial year (to be spent by the end of 2019/20 FY).</p> <p>5.3. As the two bridges are very close to one another and will make use of common access arrangements for very similar works, it is proposed to run the works as a single project for economy and efficiency</p> <p>5.4. However, recent discoveries have lead us to review the risk profile for the project and it is now apparent that the project cannot be contained within either the £230,000 CWP budget alone, nor the £250,000 Gateway approvals threshold for a Routine Revenue project. Hence the project is submitted to committee for further approval</p>

	under the Gateway process.
6. Consequences if project not approved	<p>6.1. The condition and value of the asset will continue to depreciate, leading to increased costs of mitigating defects at a later date</p> <p>6.2. Risks of degrading materials spalling and falling on to a live railway will not be mitigated in the immediate term, increasing the City's risks with respect to public safety</p> <p>6.3. This could potentially lead to enforcement action by the Rail Inspectorate of the Health and Safety Executive</p>
7. SMART Objectives	7.1. Agree access to the railway with Network Rail and conduct a series of remedial works to (at least) all the high and medium priority defects recorded from bridge inspections, within 2 years of this report
8. Success criteria	8.1. Completion of the scheduled series of works, within 2 years of this report and within the allocated project budget, as verified by structural inspections during/after construction to ensure that the City's risks have been adequately mitigated
9. Key Benefits	<p>9.1. Reduction of the City's risks with respect to public liability and potential enforcement action by the Rail Inspectorate of the Health and Safety Executive</p> <p>9.2. Improving the value and condition of the highway asset, such that further major maintenance would not be expected for some (estimated) 15 to 20 years</p>
10. Notable exclusions	<p>10.1 Works to adjacent market structures over the railway owned by the City privately (and in similar condition) are not included in this City Fund project.</p> <p>10.2 However, discussions at officer level are currently taking place with the Museum of London relocation team on the feasibility of combining works contracts and possessions in order to consider the City of London Corporation's assets over the railway in their totality, in order to share commons costs and risks.</p> <p>10.3 This is to be further reported to committee as this develops, although – given the severity of defects/risks and the timescales to secure access to the rail network - it is considered prudent to maintain the progress of this project on a standalone basis at present, pending agreement and approval.</p>
11. Governance arrangements	<p>Spending Committee: Corporate Asset Sub Committee</p> <p>Senior Responsible Officer: Paul Monaghan</p> <p>Project Board: No</p>

Prioritisation

12. Link to Strategic Aims	3. To provide valued services, such as education, employment, culture and leisure, to London and the nation.
13. Links to existing strategies, programmes and projects	13.1 The project is consistent with the City of London highway authority's general obligations to maintain the public highway
14. Project category	1. Health and safety
15. Project priority	A. Essential

Options Appraisal

16. Overview of options	<p>16.1. Four options have been considered:--</p> <ol style="list-style-type: none">1) "Do nothing"2) Full programme of repairs and waterproofing to both bridges, including footway strengthening to West Smithfield Bridge3) Repairs to the bridge soffits of both bridges only (excluding waterproofing and footway strengthening)4) Repairs to the soffit of the more critical West Smithfield bridge only <p>16.2. Of the two bridges, West Smithfield Bridge represents the greatest risk to the City, as a result of spalling concrete of greater mass and thus potentially greater consequences if separating from the concrete and falling to track level. The defects to Charterhouse Street Bridge relate to less massive beam encasement and masonry defects</p> <p>16.3. If budgets for the works are limited, consideration could be given to carrying out repair works to West Smithfield only, to reduce the greatest risks in the short term. However, deferring the works to Charterhouse Street Bridge would not make the most economic use of the access agreements with Network Rail and there is a clear logic for running works to the underside of both bridges (from trackside) at the same time</p> <p>16.4. The waterproofing works are proposed to protect the structure and reduce the likelihood of future defects and degradation of the structure occurring in the longer term</p> <p>16.5. These works are not essential to mitigate immediate risks (which are addressed by works to the underside of the</p>
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	<p>bridges) and could be deferred to a later date.</p> <p>16.6. However, we have been advised by the term consultant that there is a strong technical argument for implementing the waterproofing works as soon as possible and in parallel with the soffit repairs.</p> <p>16.7. Our recommendation is thus to carry out the full schedule of repairs to both bridges, including waterproofing (i.e. Option 2)</p>
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Project Planning

<p>17. Programme and key dates</p>	<p>Overall programme:</p> <p>17.1. Completion of works by the end of the 2019/2020 financial year</p> <p>17.2. Initial studies by our term consultant suggested that 10no. 8 hours shifts would be necessary to carry out the works to the bridge soffits, with two teams working on each bridge within each shift. However, this is based on assumptions on the severity and extent of defects that have been observed from track level General Inspections. These assumptions will be refined following “touching distance” Principal Inspections that are due for the 2018/19 financial year and which are being organised at the time of drafting this report.</p> <p>17.3. Network Rail have also commented that only 4 to 5-hour shifts are possible on this section of the network. However, they are also advising on longer opportunities (up to 26 hours), as they become evident. Current estimates are based on carrying out works during 4no. 26-hour possessions, spread over a number of months as opportunities arise with possessions booked by others.</p> <p>17.4. However, this programme does not allow for measures to temporarily lower and protect Overhead Line Equipment (OLE) as part of the works, which is costly and will reduce effective working time within 26-hour possessions by up to 10 hours. This element is considered as a risk element.</p> <p>Key dates:</p> <p>17.5. Works dates will be wholly dependent on the availability of rail possessions to access the bridge soffits and the potential to utilise local possessions on the rail network arranged and funded by other 3rd parties, to reduce costs to the City. Discussions are ongoing with Network Rail on these matters. However, we are currently targeting Q1 in the 2019/20 financial year for a Gateway 5 submission, to give us maximum flexibility for</p>
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	<p>implementing the works by the end of that financial year, within rail possessions that become available</p> <p>Other works dates to coordinate:</p> <p>17.6. Consideration is being given to utilising rail possessions for both this project and a separate capital project for strengthening the City's pipe subway structures that span over the Thameslink railway at Snow Hill and Holborn Viaduct nearby</p> <p>17.7. In addition, shared rail possessions are being discussed and coordinated with the Museum of London development team, with a view to considering the City of London Corporations' assets over the railway in their totality, in order to share common costs and risks</p>
18. Risk implications	<p>Overall project risk: Amber</p> <p>18.1. Recent discoveries have led us to review the risk profile for the project and it is now apparent that the project cannot be contained within either the £230,000 CWP budget alone, nor the £250,000 Gateway approvals threshold for a Routine Revenue project.</p> <p>18.2. A project risk register is included in Appendix 2 and the City's risks have been identified as Medium (or Amber), with the highest risks (High/Red) to be borne by the Contractor under contract. Risks include the following (with owner indicated in parentheses):-</p> <ol style="list-style-type: none"> 1) Increased Network Rail possession costs (City). We are managing this risk by regular liaison with Network Rail and a review of future possessions already booked 2) Considerable programme constraints with completing the works within fixed possession hours, adding to project costs (City) 3) The risk of additional costs and delays (or an increased number of possessions to complete the works) arising from a need to lower Overhead Line Equipment (OLE) during the works. We are considering working solutions to carry out the bridge repairs which mitigate this risk (City). 4) The risks of failing to fully reinstate OLE within allocated possessions, leading to run-over of possessions and compensation costs from Network Rail and rail operating companies. These costs could easily run into millions and would therefore need to be insured by the Contractor under the project (Contractor) 5) Risk of unforeseen conditions on further exposure (City) – as advance inspections/investigations of the

	<p>structures are constrained by available possession hours, which usually precludes 100% coverage for detailed close-up examination</p> <p>6) Discovery that West Smithfield deck is covered by granite setts embedded in strong concrete, with nominal asphalt surfacing thickness above. We cannot reliably waterproof over these setts and they will need to be removed carefully down to a suitable substrate (by hand tools only, so as not to exacerbate existing defects), which will increase costs significantly (City)</p> <p>7) Discovery that Charterhouse Street bridge also needs waterproofing (not allowed for in the CWP budget) and is also covered by granite setts, which will also require the same special working measures (City)</p> <p>8) Discovery, following a review of historical records, that the footway service trenches to West Smithfield Bridge may need strengthening (not allowed for in budget). This is currently being investigated (City)</p> <p>9) Costs of further investigations needed that are outside the scope of our routine inspections (City)</p>
19. Stakeholders and consultees	<p>19.1 Network Rail</p> <p>19.2 Markets and Consumer Protection</p> <p>19.3 Corporate Property (City Surveyor)</p> <p>19.4 Museum of London Development Team</p>

Resource Implications

20. Total estimated cost	<p>Likely cost range:</p> <p>2. £250k to £5m</p> <p>Within this range, the estimated project cost for the recommended option (2) is as indicated in Table 2</p>
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Table 2: Project Budget Estimate (Option 2)

	Cost (£)
Construction (Option 2)	342,000
Fees	55,000
Site Investigations	40,000
Network Rail management costs	27,000
Staff costs	exc
Network Rail track access costs (prov.)	120,000
Sub Total	584,000
Project Risk Allowance	100,000
Total (inc. risk)	684,000

Please refer to Appendix 1 for a more detailed breakdown of works costs and fees

21. Funding strategy

Choose 1:
All funding fully guaranteed

Choose 1:
Internal - Funded wholly by City's own resource

21.1. Currently £230,000 of funding is allocated to the project from within the CWP.

21.2. Approximately £44,000 of this funding has already been committed to cover the costs of initial structural consultancy fees, preliminary investigations and Network Rail project management costs (which must be paid up-front), as Table 3 below.

Table 3: Committed Costs

Description	Commitment (£)
Initial Consultant Fees	10,000
Network Rail Basic Asset Protection Agreement (BAPA)	26,750
Site investigations	7,635
Total	44,385

21.3. However, it must be emphasised that these committed Network Rail costs (the "BAPA") do not include for the costs of securing access to the network during rail

possessions. This introduces a significant risk to the project budget at this stage.

- 21.4. Preliminary estimates of “piggy backing” onto 4no. 26-hour future possessions secured by others are included in the Options costs. Specific possessions booked by the City just for these works would be restrictively expensive and would require a booking process of potentially 96 weeks. Final costs will be confirmed by Network Rail nearer the time, once the number of parties utilising the possessions are confirmed. An allowance of £120,000 is currently included from early discussions with Network Rail
- 21.5. In March 2017 the Court of Common Council approved the Finance Committee City Fund 2017/18 Budget Report and Medium Term Financial Strategy.
- 21.6. The approval granted that City Fund investment opportunities are included, subject to further reports, on the additional provision of £2m in 2017/18 and £4m pa thereafter to fund the investment in tackling the 'bow wave' for City Fund properties and in particular focus on some substantial refurbishment works at specific properties e.g. Central Criminal Court.
- 21.7. Following RASC Away Day in June 2017, Members had given a steer that any ‘windfall’ surpluses from business rates in 2017/18 should be applied to ‘one off items’ such as revenue contribution to large capital schemes and catch up on the ‘bow wave’ maintenance programme.
- 21.8. It is proposed that £323,000 is funded from this source (Additional Capital Funds for City Fund Properties Programme), as approved by RASC on 18th January 2018, to supplement currently approved CWP Funds for the project, as table 4
- 21.9. It is proposed that the remaining £131,000 (to make up the estimated project shortfall), it is funded from savings in 2016/2017 Additional Works Programme, as also indicated in table 4 below

Table 4: Funding Sources

Funds/Sources of Funding	Cost (£)
Current CWP Funds	230,000
Additional Capital Funds for City Fund Properties Programme (including for £100,000 risk allowance)	323,000
2016/17 Additional Works Programme savings	131,000

	<table> <tr> <td>Total</td><td>684,000</td></tr> </table>	Total	684,000
Total	684,000		
22. On-going revenue implications	<p>22.1. Reduction in reactive and cyclical maintenance costs</p> <p>22.2. Remediating the reported bridge defects as early as possible will reduce the potential increased costs of carrying out repairs in the future (if allowing them to deteriorate further).</p>		
23. Investment appraisal	n/a		
24. Procurement strategy/Route to Market	<p>24.1. Following consultation with City Procurement, works are to be procured by open tender of fully detailed proposals, making use of rail possession access the City have agreed and provisionally booked in advance with Network Rail</p> <p>24.2. Consideration had been given to separately procuring waterproofing works to the topside of both bridges (& strengthening works to the footways of West Smithfield), using the term highways contractor</p> <p>24.3. However, this option has now been discounted due to the discovery of the granite setts above the bridge decks. Their removal would most safely be carried out during coordinated rail possessions to reduce the risks of percussive vibration causing defective materials to the bridge soffit falling to trackside during operational hours.</p>		
25. Legal implications	<p>25.1 The works are designed to address defects which present considerable liability risks to the City from degraded materials falling on the live railway</p> <p>25.2 In addition to public liability, the City risks enforcement action from the Rail Inspectorate of the Health and Safety Executive if the current situation is allowed to prevail or deteriorate further</p>		
26. Corporate property implications	<p>26.1 None – the bridges are highway structures and do not form part of Corporate Property</p>		
27. Traffic	<p>27.1. The waterproofing works to both bridges and the strengthening of the footways to West Smithfield Bridge</p>		

implications	will impact temporarily on the public highway 27.2. If possible, these work elements will be expedited with partial closures only, so that one footway and at least one traffic lane will remain open at all times, controlled by appropriate traffic management, in consultation with the markets
28. Sustainability and energy implications	n/a
29. IS implications	n/a
30. Equality Impact Assessment	n/a

Options Appraisal Matrix

See attached

Appendices

<u>Appendix 1</u>	Cost breakdown
<u>Appendix 2</u>	Risk register

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Options Appraisal Matrix

	<i>Option 1</i>	<i>Option 2</i>	<i>Option 3</i>	<i>Option 4</i>
1. Brief description	Do nothing	Full programme of repair works to both bridges, including waterproofing of both bridges and strengthening of footways to West Smithfield Bridge	Repairs to both bridge soffits only	Repairs to West Smithfield Bridge soffit only
2. Scope and exclusions		<ul style="list-style-type: none"> Concrete/masonry repairs to both bridge soffits, including wrought iron beam protection Ancillary steel repairs to Charterhouse Street Bridge (tie beams) Strengthening of footways to West Smithfield Bridge Waterproofing of both bridges 	<ul style="list-style-type: none"> Concrete/masonry repairs to both bridge soffits, including wrought iron beam protection Ancillary steel repairs to Charterhouse Street Bridge (tie beams) <u>Excludes</u> waterproofing and strengthening 	<ul style="list-style-type: none"> Concrete/masonry repairs to both bridge soffits, including wrought iron beam protection <u>Excludes</u> works on Charterhouse Street Bridge <u>Excludes</u> waterproofing and strengthening
<i>Project Planning</i>				
3. Programme and key dates		Complete works by end of 2019/20 financial year, subject to rail possessions	Complete works by end of 2019/20 financial year, subject to rail possessions	Complete works by end of 2019/20 financial year, subject to rail possessions

4. Risk implications	<ul style="list-style-type: none"> Highest risk option in terms of the City's public liability and reputation i.e. does not address any defects, nor reduce the City's risks therein 	<ul style="list-style-type: none"> Lowest risk option in terms of the City's longer term public liability and reputation Mitigates all defined risks from current defects Risks in relation to rail possession costs and protection of Overhead Line Equipment are common to options 2 to 4 	<ul style="list-style-type: none"> Mitigates immediate risks over the railway Does not mitigate risk of further degradation of structure from water ingress Does not mitigate risks to under-strength structures to West Smithfield footway from accidental wheel loading Risks in relation to rail possession costs and protection of Overhead Line Equipment are common to options 2 to 4 	<ul style="list-style-type: none"> Mitigates only the highest immediate risks over the railway Does not mitigate risks with respect to Charterhouse Street Bridge Does not mitigate risk of further degradation of structure from water ingress Does not mitigate risks to under-strength structures to West Smithfield footway from accidental wheel loading Risks in relation to rail possession costs and protection of Overhead Line Equipment are common to options 2 to 4
5. Benefits and disbenefits	<u>Benefits</u> <ul style="list-style-type: none"> Zero cost option in short term 	<u>Benefits</u> <ul style="list-style-type: none"> Addresses and mitigates all identified significant defects 	<u>Benefits</u> <ul style="list-style-type: none"> Addresses all immediate risks of degraded materials falling to track level from both bridges 	<u>Benefits</u> <ul style="list-style-type: none"> Addresses only the highest risks of degraded materials falling to track level from (worse condition)

	<u>Disbenefits</u> <ul style="list-style-type: none"> Does not mitigate any risks in short or longer term 	<u>Disbenefits</u> <ul style="list-style-type: none"> Highest cost option but makes best use of the high 3rd party costs (particularly Network Rail) common to options 2 to 4 	<ul style="list-style-type: none"> Medium cost option <u>Disbenefits</u> <ul style="list-style-type: none"> However, does not address waterproofing issues and risks of further deterioration in longer term 	<p>West Smithfield Bridge</p> <ul style="list-style-type: none"> Lowest cost option, other than “do nothing” option 1 However, makes least best use of the high 3rd party costs (particularly Network Rail) common to options 2 to 4 <p><u>Disbenefits</u></p> <ul style="list-style-type: none"> Does not address any defects to Charterhouse Street Bridge Does not address waterproofing issues and risks of further deterioration in longer term
6. Stakeholders and consultees	<ul style="list-style-type: none"> N/A (“Do nothing” option) 	<ul style="list-style-type: none"> Network Rail Smithfield Markets Local businesses/residents Museum of London relocation project team 	<ul style="list-style-type: none"> Network Rail Smithfield Markets Local businesses/residents Museum of London relocation project team 	<ul style="list-style-type: none"> Network Rail Smithfield Markets Local businesses/residents Museum of London relocation project team

Resource Implications				
7. Total Estimated cost	<ul style="list-style-type: none"> Zero cost 	<ul style="list-style-type: none"> £684,000 (inclusive of £100,000 risk allowance) 	<ul style="list-style-type: none"> £495,000 (inclusive of £100,000 risk allowance) 	<ul style="list-style-type: none"> £389,000 (inclusive of £100,000 risk allowance)
8. Funding strategy	<ul style="list-style-type: none"> N/A (“Do nothing” option) 	<ul style="list-style-type: none"> Currently approved CWP funds, supplemented by the Additional Capital Funds for City Fund Properties Programme 		
9. Estimated capital value/return	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> N/A
10. Ongoing revenue implications	<ul style="list-style-type: none"> Risk of increased future maintenance costs when defects are finally addressed, if allowed to degrade further 	<ul style="list-style-type: none"> Most effective option for reducing future revenue costs of reactive maintenance 	<ul style="list-style-type: none"> Reduces future revenue costs of reactive maintenance for bridges but not as effectively (as not protected from future water ingress) 	<ul style="list-style-type: none"> Reduces future revenue costs of reactive maintenance for one bridge only and not as effectively as option 2 (as not protected from future water ingress)
11. Investment appraisal	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> N/A
12. Affordability	<ul style="list-style-type: none"> N/A (“Do nothing” option) 	<ul style="list-style-type: none"> Most expensive option but most effective use of high 3rd party costs that are common to options 2 to 4 	<ul style="list-style-type: none"> Medium cost option 	<ul style="list-style-type: none"> Lowest cost option but least effective use of high 3rd party costs that are common to options 2 to 4

13. Legal implications	<ul style="list-style-type: none"> Highest risk option 	<ul style="list-style-type: none"> Lowest risk option, as far as the City's legal liabilities are concerned 	<ul style="list-style-type: none"> Mitigates the immediate risks 	<ul style="list-style-type: none"> Mitigates the highest risks only (for one bridge only)
14. Corporate property implications 15.	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> N/A
16. Traffic implications	<ul style="list-style-type: none"> N/A ("Do nothing" option) 	<ul style="list-style-type: none"> Waterproofing works will disrupt carriageways, but mitigated by phasing 	<ul style="list-style-type: none"> None – all works at track level only 	<ul style="list-style-type: none"> None – all works at track level only
17. Sustainability and energy implications	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> N/A
18. IS implications	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> N/A
19. Equality Impact Assessment	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> N/A
20. Recommendation	Not recommended	Recommended	Not recommended	Not recommended
21. Next Gateway	Choose an item.	Gateway 5 - Authority to Start Work	Choose an item.	Choose an item.

22. Resource requirements to reach next Gateway

Item	Reason	Funds/ Source of Funding	Cost (£)
Staff costs	Project Management and coordination with Network Rail	<i>(excluded from CWP projects)</i>	exc
Consultant fees <i>(note)</i>	Design and detailing	CWP	20,000
Consultant fees <i>(note)</i>	CDM Principal Designer	CWP	5,000
Consultant fees <i>(note)</i>	Quantity Surveyor / Network Rail Planner	CWP	18,000
Investigations	To inform design and mitigate risks	CWP	40,000
Network Rail Management Costs	Project Management	CWP	27,000
Network Rail	Advance access booking	CWP	120,000
Total			230,000

As detailed more fully in Appendix 1, consultant fee estimates are based on a combination of:-

- a) tendered term contract % of estimated works value, pro-rata to GW5, where appropriate, or
- b) past experience on similar benchmarked projects

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Appendix 1 – Cost Breakdown

Option 2 – Full programme of repair works to both bridges, including waterproofing of both bridges and strengthening of footways to West Smithfield Bridge

Construction Estimates

A) West Smithfield Bridge

Concrete repairs	92,000
Waterproofing	86,000
Footway service bay strengthening	<u>40,000</u>
<i>Sub Total (A)</i>	<i>218,000</i>

B) Charterhouse Street Bridge

Masonry/steel repairs	92,000
Waterproofing	<u>32,000</u>
<i>Sub Total (B)</i>	<i>124,000</i>

Total construction cost (A+B) **342,000**

Fees/Investigations

Network Rail Project Management Costs	26,750
Consultant Design/Supervision Fees (works costs x 7.5%) ¹	25,650
CDM Principal Designer Fees ²	10,000
Quantity Surveyor/NR Planner fees ²	20,000
Investigations (Trial Pits/Surveys)	<u>40,000</u>
Total fees/investigations	122,400

Staff Management Costs³ (staff costs excluded for CWP projects but provided for information)

GW4 to GW5	540 hrs	<i>(27,000)</i>
GW5 to works	120 hrs	<i>(6,000)</i>
Works	90 hrs	<i>(4,500)</i>
To GW7	<u>30 hrs</u>	<u><i>(1,500)</i></u>
	780 hrs	<i>(39,000 but excluded from project costs)</i>

Rail Possession Costs

Costs are based on preliminary estimates of “piggy backing” onto 4no. 26-hour future possessions secured by others – as specific possessions booked just for these works would be restrictively expensive. Final costs will be confirmed by Network Rail nearer the time, once the number of parties utilising the possessions are confirmed. An allowance of £120,000 is therefore included from early discussions with Network Rail

¹ Fee % as tendered term consultancy rates. Assume 75% of this up to GW5

² From comparison/experience with similar projects

³ From comparison with similar projects, average charge rate of £50/hr

Appendix 1 – Cost Breakdown

Project Risk Allowance

An allowance of £100,000 is recommended, to cover

- a) Risk on estimated costs in the absence of full logistical planning in a challenging environment
- b) Additional possession costs/requirements (at roughly £30,000 per additional possession)
- c) Potential and unquantified temporary protection works to Overhead Line Equipment (OLE)

Option 2 - Summary

Construction Costs	342,000
Fees/Investigations	122,400
Staff costs	(excluded for CWP projects)
Rail access costs	120,000
Risk Allowance	100,000
	684,400

Option 3 – Programme of repair works to soffits of both bridges only

Construction Estimates

A) West Smithfield Bridge

Concrete repairs	<u>92,000</u>
<i>Sub Total (A)</i>	<i>92,000</i>

B) Charterhouse Street Bridge

Masonry/steel repairs	<u>92,000</u>
<i>Sub Total (B)</i>	<i>92,000</i>

Total construction cost (A+B)	184,000
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Fees/Investigations

Network Rail Project Management Costs	26,750
Consultant Design/Supervision Fees (works costs x 7.5%) ⁴	13,800
CDM Principal Designer Fees ⁵	10,000
Quantity surveyor/NR Planner fees ⁵	20,000
Investigations (Trial Pits/Surveys)	<u>20,000</u>
Total fees/investigations	90,550

⁴ Fee % as tendered term consultancy rates. Assume 75% of this up to GW5

⁵ From comparison/experience with similar projects

Appendix 1 – Cost Breakdown

Staff Management Costs⁶ (staff costs excluded for CWP projects but provided for information)

GW4 to GW5	540 hrs	(27,000)
GW5 to works	120 hrs	(6,000)
Works	90 hrs	(4,500)
To GW7	<u>30 hrs</u>	<u>(1,500)</u>
	780 hrs	(39,000 but excluded from project costs)

Rail Possession Costs

Costs are based on preliminary estimates of “piggy backing” onto 4no. 26-hour future possessions secured by others – as specific possessions booked just for these works would be restrictively expensive. Final costs will be confirmed by Network Rail nearer the time, once the number of parties utilising the possessions are confirmed. An allowance of £120,000 is therefore included from early discussions with Network Rail

Project Risk Allowance

An allowance of £100,000 is recommended, to cover

- a) Risk on estimated costs in the absence of full logistical planning in a challenging environment
- b) Additional possession costs/requirements (at roughly £30,000 per additional possession)
- c) Potential and unquantified temporary protection works to Overhead Line Equipment (OLE)

Option 3- Summary

Construction Costs	184,000
Fees/Investigations	90,550
Staff costs	(excluded for CWP projects)
Rail access costs	120,000
Risk allowance	<u>100,000</u>
	494,550

Option 4 – Programme of repair works to soffits of West Smithfield Bridge only

Construction Estimates

A) West Smithfield Bridge

Concrete repairs	<u>92,000</u>
<i>Sub Total (A)</i>	92,000

Fees/Investigations

Network Rail Project Management Costs	26,750
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³ From comparison with similar projects, average charge rate of £50/hr

Appendix 1 – Cost Breakdown

Consultant Design/Supervision Fees (works costs x 7.5%) ⁷	10,000
CDM Principal Designer Fees ⁸	10,000
Quantity surveyor/NR Planner fees ⁸	20,000
Investigations (Trial Pits/Surveys)	<u>10,000</u>
Total fees/investigations	76,750

Staff Management Costs⁹ (staff costs excluded for CWP projects but provided for information)

GW4 to GW5	540 hrs	(27,000)
GW5 to works	120 hrs	(6,000)
Works	90 hrs	(4,500)
To GW7	<u>30 hrs</u>	<u>(1,500)</u>
	780 hrs	(39,000 but excluded from project costs)

Rail Possession Costs

Costs are based on preliminary estimates of “piggy backing” onto 4no. 26-hour future possessions secured by others – as specific possessions booked just for these works would be restrictively expensive. Final costs will be confirmed by Network Rail nearer the time, once the number of parties utilising the possessions are confirmed. An allowance of £120,000 is therefore included from early discussions with Network Rail

Note:- no reduction from options 2 and 3 is made, as these former options assume the same works duration but with double labour/plant working on both bridges during the 4no. possessions

Project Risk Allowance

An allowance of £100,000 is recommended, to cover

- a) Risk on estimated costs in the absence of full logistical planning in a challenging environment
- b) Additional possession costs/requirements (at roughly £30,000 per additional possession)
- c) Potential and unquantified temporary protection works to Overhead Line Equipment (OLE)

Option 4- Summary

Construction Costs	92,000
Fees/Investigations	76,750
Staff costs	(excluded for CWP projects)
Rail access costs	120,000
Risk allowance	<u>100,000</u>
	388,750

⁷ Fee % as tendered term consultancy rates. Assume 75% of this up to GW5

⁸ From comparison/experience with similar projects

³ From comparison with similar projects, average charge rate of £50/hr

PROJECT: WEST SMITHFIELD & CHARTERHOUSE STREET (THAMESLINK) BRIDGES REMEDIAL WORKS

TITLE PROJECT RISK REGISTER

UPDATED 27 July 2018 v1

No.	RISK	RISK CATEGORY	CONSEQUENCES	LIKELIHOOD	IMPACT	SCORE	RISK	CURRENT RISK OWNER	MITIGATING MEASURES
1	Failure to secure timely to the rail network to facilitate the remedial works	Programme Risk	Project delay	Possible	Major	18	MEDIUM	City	Early consultation with Network Rail Consideration of shared rail possessions with Museum of London relocation and Holborn pipe subway projects
2	Failure to obtain Network Rail consent for works	Programme Risk	Project delay	Unlikely	Major	17	MEDIUM	City	Early consultation with Network Rail Appointment of consultant team experienced in Network Rail technical requirements
3	Failure to reinstate Overhead Line Equipment (if lowered) at the end of rail possessions, leading to delays to rail network and punitive costs from Network Rail	Construction Risk	Project costs/Reputational	Unlikely	Catastrophic	20	HIGH	Contractor	Design measures to implement works without the need to lower equipment. Temporary protection measures to be approved by Network Rail. Contractor likely to add a premium to tender to cover this as an insured risk
4	Damage to rail infrastructure during works, leading to delays to rail network and punitive costs from TFL	Construction Risk	Costs/Reputational	Unlikely	Catastrophic	20	HIGH	Contractor	To be made Contractor risk under contract. Risks limited by selection process for contractors experienced in rail work
5	Unforeseen conditions during construction, potentially leading to increased rail possessions required to complete works (at approximately £30,000 per weekend possession)	Construction Risk	Project costs/delays	Possible	Major	18	MEDIUM	City (potentially shared under contract)	Mitigated by schedule inspections and investigations in advance of construction
6	Adverse weather during construction	Construction Risk	Project costs/delays	Unlikely	Moderate	10	MEDIUM	City (potentially shared under contract)	Only relates to waterproofing works and removal of cobbles/setts to top of bridge. Most works are under cover at track level. Further investigations
7	Local public dissatisfaction at works and road closures	Organisation/reputation risk	Bad image	Unlikely	Minor	5	LOW	City	Most of works at track level and limited effect at road level. Residual risks managed by adequate planning of traffic management during phased waterproofing works
8	Limited contractors/competetion due to specialist nature of works	Financial Risk	Limited competition	Possible	Moderate	13	MEDIUM	City	Early consultation with market Simplification of design Balanced/shared risk profile in contracts
9	Project/tender costs exceed early estimates	Financial Risk	Project costs	Possible	Major	18	MEDIUM	City	Early engagement with contractors/consultants to consider how the logistical challenges will affect costs. Risk allowance in project budget at early stage
10	Impact of project on Museum of London redevelopment (and vice versa)	Programme Risk	Project delays/reputational	Possible	Major	18	MEDIUM	City	Mitigated by early and ongoing coordination

Extract from Corporate Project Risk Management Guidance

<http://colnet/Departments/Town%20Clerks/Project%20Management/Pages/How%20we%20work/Project-Risk-Guidance.aspx>

IMPACT	CATASTROPHIC	14	20	22	24	25
	MAJOR	11	17	18	21	23
	MODERATE	6	10	13	16	19
	MINOR	3	5	8	12	15
	INSIGNIFICANT	1	2	4	7	9
		RARE	UNLIKELY	POSSIBLE	LIKELY	ALMOST CERTAIN
		LIKELIHOOD				

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Committees:		Dates:
Markets Committee		07112018
Subject: Entry Barrier – New Spitalfields Market (NSM)	Gateway 6 Project Light pathway	Public
Report of: Director of Markets and Consumer Protection		For Information
Report Author: Ben Milligan		

1.

Summary

An entry barrier for the New Spitalfields Market site was initially discussed in 2006 and proposed to the Spitalfields Market Tenants Association (SpMTA) in January 2007. Tenants had two main concerns at that time: that a charge may discourage customers; and that if the City of London Corporation funded the project any income generated would be retained by the City with little benefit to tenants.

The project will be funded by the Market's Repairs and Maintenance fund, which is generated by the service charge.

A charged entry system is no longer seen by the tenants as a deterrent for custom, it is looked on as a revenue opportunity that could offset large projected service charge bills.

There is currently no barrier on site enabling controlled access to the New Spitalfields site.

A barrier would assist the Market Constabulary with enforcement matters on site and would also act as a revenue stream to offset high service-charge cost projections.

The proposal is that customers pay a one-off fee to enter the site for 24hrs. HGVs pay based on a stepped system; the longer they remain on site, the more they pay. The charging level has been agreed by the SpMTA in conjunction with the City.

Ansador Fire and Security Ltd have been awarded the contract following the requisite procurement exercise and the relevant Chief Officer approval under the light gateway process.

Recommendation

Members are asked to note the contents of the report.

Main Report

2. This report discusses the installation of a controlled entry barrier system at New Spitalfields Market. The SpMTA were approached in late 2015 with a new entry barrier proposal. The intention was to support the enforcement of site rules whilst generating much needed income into the service charge. The Association was fully on board from an early stage and so feasibility work was carried out.
3. A gateway 1&2 report was produced for the Corporate Projects Board (18th April 2016). It was then taken to the Projects sub-committee (11th May 2016) and passed. A paper, outlining the options and implications, was also submitted to the Markets Committee (also 11th May 2016). Members raised the question of annual passes and approval was granted.
4. Confirmation was received in February 2018 from Town Clerk's Department that due to the fact that the procurement was going through the "light route" in the gateway process Chief Officer approval for Gateway 5 Authority to start work would be the sole requirement for progression.
5. The City of London Corporation produced a proposed specification, and, in the course of a full procurement exercise, bidders were invited to present their proposals/quotes. After evaluation, the winning tender was Ansador Fire and Security Ltd. The Director of Markets and Consumer Protection signed off the relevant appointment of Ansador Fire and Security Ltd on the 21st June 2018.
6. The procurement covered the design, Local Authority planning, building, and commissioning of the system.
7. The system will encompass vehicle entry barriers and a pedestrian turnstile, and will i) regulate market entry, ii) provide a level of control on who is on site, and when, and iii) provide valuable income for the Market that can be used for forward maintenance plans and balancing of the Service Charge.
8. There will be two HGV barrier lanes, and three car/van lanes on entry, and two lanes on exit. Flow of traffic will not be affected by the installation. The payment system will be cashless and ticketless. The system will be driven by an Automated Number Plate Recognition system (ANPR), with payment via a website/APP. Market and tenant staff will be allowed free entry via the ANPR system. Annual passes will be available.
9. The most recent traffic survey indicated that on average 2,956 vehicles use the site daily (17,736 a week). 52.4% were vans, 10% HGVs and Artics and 37.6% cars with the busiest time being between 00:00 and 01:00. There is not an analysis regarding what proportion of this number are tenant and staff vehicles, but an educated, conservative guess would suggest that at least half the vehicles on site are customers.
10. The SpMTA have been fully engaged throughout the process. Since charge levels are hugely important to trade access, and the income will benefit the service charge (not the City), it is the intention that the Tenants Association propose the charge limit for entry. There is a trade-off between optimising income whilst ensuring trade is not affected and benchmarking has been carried out with other markets – see appendix 1. The tenants, as a collective, have agreed through the SpMTA that £2 entry will not curtail trade whilst still providing

significant income generation. This value is subject to change should there be a negative impact on trade, or should it be felt that charges could be optimised further. Any changes will account for the views of the tenants.

Advantages:

11. There will be significant income generation from the entry barrier charge. Given the level of traffic on site, a conservative estimate for income would be approximately £920,000 per annum for a £2 entry charge (not accounting for HGV entry).
12. There will be better enforcement of the site rules. At present fly tipping by members of the public is largely unenforceable (and costly) since Market Staff have no local authority powers of enforcement. Barrier entry with associated Automatic Number Plate Recognition (ANPR) will allow market staff to exclude offenders from site for set periods of time. This will incentivise members of the public to comply with site rules. This will have the potential to be extended to smoking offences, hi-vis enforcement, or other site rules that we have difficulty enforcing. This will significantly reduce costs associated with fly tipping alone.
13. HGVs will no longer be able to use the site as a trailer park or trans-shipping depot.
14. Income will be used for the forward maintenance of the ageing market site and any remainder will be used to offset the service charge.
15. Money will also be available for large scale CAPEX projects such as rainwater harvesting or photovoltaic cells.

Disadvantages:

16. There is the potential that some customers will be dissuaded from coming to the market due to charges. To minimise this area of concern for the traders the SpMTA will be responsible for proposing entry charge levels. The Corporation will ensure that levels are reasonable, and benchmarked against competitor market rates, and future rates will also account for data collated regarding vehicle access volume fluctuations. All of the market's direct competitors have established long standing charged entry systems which charge much higher rates than those planned at NSM – see appendix 1 for comparative charges. It is therefore not seen as an issue of concern to the SpMTA. They have produced an email in support of the installation (see appendix 2).
17. Members of the public may be dissuaded from making casual purchases. Due to the small margins on many products most of the tenants rely on moving large quantities of product and therefore operate as wholesale only. It's not perceived to be a risk to business if the few members of the public who buy one box a week are dissuaded from attending the market - it is the wholesale trade that we are trying to foster.

Resource Implications

18. The cost of the project is split into 4 parts. i) Design, ii) Planning, iii) Installation, iv) 5-year maintenance plan. These will be paid as each stage completes

(installation costs will be paid 50% upfront to allow for procurement of the equipment). The project is being funded from the Repair and Repainting reserve fund, which has been built up over many years from contributions made by the tenants. The City will not meet any of the costs.

Stage	Design duties	£10,001.64
1	Planning Duties	£8,775
2	(project management cost of stages 1&2)	£6,886
3	Installation	£250,458.96
4	Maintenance	
	Yr 1	£17,302.70
	Yr 2	£17,302.70
	Yr 3	£17,302.70
	Yr 4	£18,302.50
	Yr 5	£18,302.50
	Total	£364,634.70

Conclusion:

22. This barrier has been deemed to be of huge value to the market. That said, the entry charge needs to be set at the right level. Members should be satisfied that the SpMTA, alongside Market Officers, will take a flexible view on entry rates based on the tenant's perceptions, as well as from entry data collected whilst using the system. Rates will be modified, as required, following careful analysis of all available data to ensure that they are reasonable and non-prohibitive.

Appendices


Appendix 1	Competitor parking charge rates
Appendix 2	Email of support for installation from SpMTA

Contact

Report Author	Ben Milligan
Email Address	Ben.milligan@cityoflondon.gov.uk
Telephone Number	0208 518 7670

APPENDIX 1: Competitor Parking Charge Rates:

WESTERN INTERNATIONAL CHARGES:



HOMEMEET THE TRADERSAABOUTWIMTA

Parking

There are on site parking facilities for customers.

Parking charges are as follows:
less than 30 minutes - £2
30 mins - 1 hour - £3
1 hour to 3 hours - £5
3 hours to 5 hours - £10
5 hours + - £50


Please take a ticket at the entrance barrier and pay at one of the pay stations located around the market before returning to your vehicle.

A Buyer's Annual Pass is £125
A Supplier's Annual Pass is £125

Both of these can be obtained from the Market Manager's Office (Office NCF 5).


Please contact telephone number - 020 8583 2142

Please note this is a high risk site and as such hi-viz jackets must be worn at all times. Before visiting ensure you read our [health and safety](#) advice.



Date produced: 06.09.18

NEW COVENT GARDEN CHARGES:



Parking

If you're using the market or you work here, there's parking for your private or commercial vehicles. Check out where our customers and traders can park on the map above or download your copy below. We don't have any public parking.

If you're coming to the Fruit and Veg Market in your commercial vehicle, you pay £5 when you drive in and this covers your parking for up to three hours. The Flower Market Car Park and Multi-Storey Car Park work on a pay-on-foot system, so you pay at a machine before leaving.

Parking prices are:

0-3 hours:	£5
3-4 hours:	£25
4-6 hours:	£40
6-8 hours:	£80
8-12 hours:	£120
12-24 hours:	£200

[Download map of the market](#)

Date produced: 06.09.18

APPENDIX 2: Email of support for installation from SpMTA:

Milligan, Ben

From: Janet Hutchinson <janhutch600@hotmail.co.uk>
Sent: 04 September 2018 15:38
To: Milligan, Ben
Cc: P Walker
Subject: FW: Barrier gate at New Spitalfields Market

Follow Up Flag: Flag for follow up
Flag Status: Flagged

Hi Ben

After our meeting with you yesterday, we would like to raise our concerns over the delays in the finalisation of a barrier system at the market. This was agreed in principle some time ago and based on the following arguments.

- The level of charging for an entry has always been agreed at a very low rate of £1 - £2 per day for customers, with a multiple return policy for that daily charge. We have also suggested the incentive of yearly passes for both customers and hauliers to make this attractive to those companies who regularly support the market. According to our calculations even at £1 per day charge we should be raising in the region of £400,000 per annum which will contribute towards the maintenance of the Corporations buildings and site. By comparison this is far cheaper than Covent Garden, where there is also a restriction of time at the site before charges escalate quite dramatically, or at Western International. We do not feel that the introduction of this small charge will in any way deter customers, and send them to alternative markets. Both our competitors have kept their customer base throughout despite charges being imposed.
- A more effective way of controlling fly tipping and waste management. With the combination of a barrier, improved CCTV and vehicle recognition/customer ID systems in place those who are caught either fly tipping or dumping their waste at the site can be ultimately banned. The cost to tenants for this element of cleaning the market alone is exceptionally high (something we are due to discuss at the scheduled meeting on Friday with Debbie Howard) and as this cost is borne by the tenants through the service charge I am sure all would be supporting this argument.
- Site rules – the administration of these is costly and time consuming. There is a need, however, to have these in place and again with a barrier creating more control over the site and who uses it, it could potentially mean that the valuable resources of the security staff can be deployed in other more productive ways.

On behalf of the Association and its members we are concerned at what appears to be even more delays in the installation of this barrier system and would urge you to work with Guildhall to ensure this system is up and running, with a stream of income to benefit the market, as soon as possible.

Regards
Jan Hutchinson

Chief Executive
Spitalfields Market Tenants Association Ltd
Office No 6, Allen House
23 Sherrin Road
Leyton E10 5SQ
TEL NO 02085561479

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