

<b>Committees:</b> Corporate Projects Board [for decision] Markets Committee [for decision] Projects Sub [for decision]	<b>Dates:</b> 01 September 2021 15 September 2021 15 September 2021
<b>Subject:</b> Provision of Additional Fish Handling Facilities – Billingsgate Market <b>Unique Project Identifier:</b> 9881	<b>Gateway 3  Regular  Issue Report</b>
<b>Report of:</b> City Surveyor <b>Report Author:</b> Nicholas Sommerville	<b>For Decision</b>
<b>CS 336/21</b>	
<h1>PUBLIC</h1>	

<b>1. Status update</b>	<p><b>Project Description:</b> To increase the goods receiving capacity at Billingsgate Market, reduce congestion, improve health &amp; safety, food hygiene standards and pilot principles of the new market design.</p> <p><b>RAG Status:</b> Red (Green at last report to Committee)</p> <p><b>Risk Status:</b> Medium (Low at last report to committee)</p> <p><b>Total Estimated Cost of Project (excluding risk):</b> £1,411,000</p> <p><b>Total Estimated Cost of Project (including risk):</b> £1,593,000</p> <p><b>Change in Total Estimated Cost of Project (excluding risk):</b> Decrease (circa £600,000) since last report to Committee due to reduction in scope (omission cold store).</p> <p><b>Spend to Date:</b> £17,000.</p> <p><b>Costed Risk Provision Utilised:</b> £0</p> <p><b>Funding Source:</b> Billingsgate Sinking fund with potential grant funding form the Fisheries and Seafood Sector grant</p> <p><b>Slippage:</b> Delay to the project of circa eight years since last reported to committee. This delay was due to change in Markets personnel and despondency from stakeholders. The revised completion dates is now anticipated November 2022.</p>
-------------------------	---

	As part of Markets Colocation Programme, project management of the project has been recently assigned to the Property Projects Group of the City Surveyors Department.												
<p><b>2. Requested decisions</b></p>	<p><b>Next Gateway:</b> Gateway 3/4 - Options Appraisal (Regular)</p> <p><b>Requested Decisions:</b></p> <p>Subject to the ratification from a board of representative tenants, Members are requested to approve</p> <ol style="list-style-type: none"> <li>1. that £15,000 of the previously approved budget of £32,000 is released and supplemented by a further budget of £77,000 for consultancy fees to allow options analysis and works to be tendered;</li> <li>2. Approve a revised project budget of £92,000 (excluding risk);</li> <li>3. Note the total estimated cost of the project at £1,411,000 (excluding risk);</li> <li>4. That a Costed Risk Provision of £5,000 is approved (to be drawn down via delegation to Chief Officer).</li> <li>5. That a further options evaluation report is prepared following stakeholder consultation and costing to recommend preferred options.</li> </ol>												
<p><b>3. Budget</b></p>	<ol style="list-style-type: none"> <li>1. Three options have been considered ranging from a simple tented structure to a prototype for the Dagenham Dock facility. The total forecast cost for the 'premium' of the three options is set out below</li> </ol> <table data-bbox="528 1211 1228 1361" style="margin-left: 20px;"> <tr> <td>Works</td> <td>£ 1,253,000</td> </tr> <tr> <td>Fees</td> <td>£ 145,000 (including spend to date)</td> </tr> <tr> <td>Staff</td> <td>£7,000</td> </tr> <tr> <td>Cons.Fees</td> <td>£6,000</td> </tr> </table> <table data-bbox="528 1395 887 1469" style="margin-left: 20px;"> <tr> <td><b>Total</b></td> <td><b>£1,411,000</b></td> </tr> <tr> <td><u>Risk</u></td> <td><u>£182,000</u></td> </tr> </table> <ol style="list-style-type: none"> <li>2. This estimate is significantly lower (circa £600,000) than the previous total forecast cost as the scope of the additional cold store has been omitted.</li> <li>3. The project is to be funded by the Billingsgate Sinking fund with potential grant funding from the Fisheries and Seafood Sector grant (up to 75%). The grant does, however have limitations on leased assets and would be subject to business case and full statutory approvals.</li> <li>4. The Billingsgate Market Sinking Fund has accumulated funds of £1.756m. If no grant funding agreed, and premium option progressed, the £1.4m cost of the Fish Handling Facility will utilise roughly 79% of this fund</li> </ol>	Works	£ 1,253,000	Fees	£ 145,000 (including spend to date)	Staff	£7,000	Cons.Fees	£6,000	<b>Total</b>	<b>£1,411,000</b>	<u>Risk</u>	<u>£182,000</u>
Works	£ 1,253,000												
Fees	£ 145,000 (including spend to date)												
Staff	£7,000												
Cons.Fees	£6,000												
<b>Total</b>	<b>£1,411,000</b>												
<u>Risk</u>	<u>£182,000</u>												

therefore restricting future spend, including any urgent repairs under the forward maintenance plan, from the Sinking Fund should it be needed.

Item	Reason	Funds/ Source of Funding	Cost (£)
Design Fees	To progress planning, building control and MEP design	Billingsgate sinking fund	42,000
Professional fees	To provide cost consultancy and management advice	Billingsgate sinking fund	35,000
Professional fees	Statutory fees	Billingsgate sinking fund	4,000
Consequential fees	Statutory fees	Billingsgate sinking fund	6,000
Staff Costs	To oversee the project mgt., stakeholder liaison and reporting	Billingsgate sinking fund	3,000
<b>Total</b>			90,000
<b>Previously approved unspent</b>			(15,000)
<b>Sum requested</b>			75,000

**Costed Risk Provision requested for this Gateway: £5,000** funded from the Billingsgate Sinking Fund (as detailed in the Risk Register – Appendix 2)

The project has been developed in parallel with the survey works and forward maintenance plan.

#### 4. Issue description

1. Due to limited capacity under the east canopy, Billingsgate tenants continue to offload stock to external environment, which are congested and difficult to manage. There has recently been a collision between a pedestrian and forklift truck. The lack of cover also results in the nuisance and loss of stock to seagull attacks. Lack of cooling doesn't meet best practice, reflect standards of competing markets, is hampering certification and tenants advise is resulting in loss of business.

#### **Project Slippage**

2. The project has not substantively progressed since last approval in Sept 2013. This is due to a change in personnel and despondency from the Project Board, including tenants.
3. This resulted in a lack of engagement from project approval until the appointment of a new Superintendent. As part of the ongoing consultation with the Markets Colocation Programme tenants began to ramp up their collective enthusiasm to rekindle this project early in the new year of 2020. Before anything meaningful could be progressed COVID changed the Markets focus. As part of Markets Colocation Programme, project management of the project has been recently assigned to the Property Projects Group of the City Surveyors Department
4. With the further engagement with tenants and the London Fish Merchants Association (LFMA) regarding the Markets Colocation Programme and understanding of their requirements at the proposed and existing facility the need to expand the Fish Handling Unit has been highlighted as a priority.
5. Rejuvenation of the project and budget (previously approved at £32,000 with £15,000 unspent) and a further budget estimated at £75,000 is required for consultancy services to develop the design for option evaluation, submit planning application, building regulations application and define the MEP requirements in advance of tendering to a prefabricated supplier.

<p><b>5. Options</b></p>	<p><b>Scope</b></p> <ol style="list-style-type: none"> <li>1. Three options are to be considered and subject of a detailed options analysis report –             <ol style="list-style-type: none"> <li>I. an open portal frame, fabric cover, without temperature control</li> <li>II. replication of the existing Fish Handling Unit (at grade) with temperature control</li> <li>III. as ii above but including raised ground floor and docking for direct unloading</li> </ol> </li>   <li>2. To achieve best practice with Food Standards it would be preferable to unload directly into a cooled and covered Fish Handling Unit; this would require an elevated floor level and levelling docks which would add circa £412,000 to the project cost. This would allow the ‘cold chain’ to be maintained and serve as a useful pilot to how the new market might operate; tenants wouldn’t have to face new systems as well as a new location at the new market. Tenants were most supportive of this option (iii), which will assist in efficient through put of stock and be a step towards satisfying customers that the facilities reflect the requirements of a modern efficient wholesale market.</li>   <li>3. Subject to the scope of the project a sub option will be investigated to re-use the frame and cladding for ancillary building to the new development at Dagenham Dock. This would defray costs at the new development, contribute to the circular economy and reduce overall embodied carbon as part of the zero carbon commitments. This opportunity may allow a business case for options ii) or iii), which require significant capital investment for an otherwise limited life at Billingsgate, to be worthwhile and grant fundable.</li> </ol> <p><b>Lease or Buy</b></p> <ol style="list-style-type: none"> <li>4. Given the anticipated building design life a structured leasing arrangement may be preferred, whereby the installing company would remove the facility in late 2026 when Billingsgate is scheduled to relocate to Dagenham Dock.</li>   <li>5. A leasing arrangement appears more expensive than outright capital expenditure however all maintenance costs and end of life decommissioning costs would be covered. A short-term lease is unlikely to be grant funded if in place for less than 10 years</li> </ol>
--------------------------	---

### **Scope - Additional Cold Storage**

6. There are a number of temporary individual cold storage units around the site. The previous project anticipated these could be removed and a new purpose-built facility provided however the Superintendent has advised the stores are to be reconfigured around the site. This reconfiguration can be undertaken as business as usual and, although a dependency, isn't included as scope of this project. If a new facility were required, this would effectively double the scope of the project.
7. Additional cold storage is to be progressed locally by the Superintendent and does not form part of the project scope.
8. It is proposed that a further detailed options report is presented to recommend a preferred option following further design development, stakeholder consultation and cost analysis.
9. A tenant's board will be established to ensure that tenants views are adequately represented under an accountable forum.

### **Appendices**

<b>Appendix 1</b>	Project Coversheet
<b>Appendix 2</b>	<a href="#">Risk Register</a>
<b>Appendix 3</b>	<a href="#">Cost Book</a>

### **Contact**

<b>Report Author</b>	Nicholas Sommerville
<b>Email Address</b>	Nicholas.sommerville@cityoflondon.gov.uk
<b>Telephone Number</b>	02073321774