

Committee(s): Markets Committee – For Decision	Dated: September 15 th 2021
Subject: Update on the Edge Condition Surveys for the Markets	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	1, 4, 12
Does this proposal require extra revenue and/or capital spending?	N/A
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain’s Department?	N/A
Report of: The City Surveyor	For Decision
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Summary

The condition survey information outline works required to maintain and keep operational, all three markets. For clarity this is Billingsgate Market, New Spitalfields Market and Smithfield (split as east & west markets and the poultry market).

Surveys note that all markets are in a satisfactory condition, though a significant level of expenditure will be required over the next 10 years for them to remain so. The total level of expenditure for works only is estimated at £28.7million. When including usual on-costs, this figure rises to £43.3million. These figures are being aligned with current Forward Maintenance Plans (FMPs) for the markets, starting from year 2022/23.

Discussions have taken place with each Superintendent to agree how to address the several high priority items identified in the surveys and either plans for replacement or suitable management strategies have been put in place to mitigate any further risk. It is noted that immediate risks, that could be addressed, were highlighted to site teams where appropriate and these have since been dealt with.

Fire safety risks have been flagged to all markets and some are also suffering from damp and water ingress at basement levels.

Recommendations

Members are asked to:

- Committee are asked to note the content of this report.
- To approve the initial key actions for each Market.

Background

- 1) Following on from the canopy collapse at Smithfield Market the City of London wanted to ensure that all the markets were in a safe condition and the risks to

buildings were identified and being managed. Full condition surveys were requested by the Committee Chairman and Director with the full support of the Markets Committee in September 2020.

- 2) The surveys were commissioned to gain an understanding and knowledge of what needs to be done to each market to keep them safe and operational for the next ten years.
- 3) The production of three condition surveys was requested for commission with the main purpose of the surveys to recalibrate the Forward Maintenance Plans (FMPs) at each market, and to provide us with a plan for the next 10 years or until each market current lease expiry, keeping them safe and operational until current lease end.
- 4) The scope for each market varied slightly due to the variance in construction types at each market. Smithfield Market required the most extensive works overall. The condition surveys also highlighted where additional investigations would be required for the appropriate scoping of works. The outline scope is:
 - Address inherent water ingress issues
 - Repair to supporting frames and soffits
 - Compliant roof access
 - Renewal of mechanical and electrical plant across the building – e.g. building services and building management systems
 - Power supply upgrades
 - Carbon Reduction Schemes
 - New glazing
 - Intensive fabric and structural repairs
 - Fire compartmentation/ protection
 - New canopy -numerous areas of canopy had suffered from historical spalling and rebar showing in areas.
 - Repair to the flat roof due to water ingress
 - Roads, paths, paving's, surfaces around the site require works
 - Works relating to Asbestos/Lead contaminated material
 - New interiors
 - Temporary and decant works to undertake the works

Current Position

- 5) The surveys have concluded that all the markets are generally in a 'satisfactory' condition (performing as intended but with some minor deterioration), and it will take significant expenditure to keep them at this standard. Some 'Urgent/Immediate' works have been identified and a significant amount of equipment at all sites is deemed to be 'life expired'.
- 6) The total headline costs for each market are summarised below and a total breakdown of each market over the 10 years is broken down in appendix A.

These costs only seek to keep the markets in operation for 10 years, expenditure beyond this date has not been provided for the purpose of this report, though a separate exercise has been explored to obtain this information.

Market	Total Works (Rounded)	Total with On Costs (Rounded)
LCM E&W Markets	£15,800,000.00	£23,800,000.00
Poultry Market	£5,600,000.00	£8,500,000.00
Billingsgate Market	£5,900,000.00	£8,900,000.00
New Spitalfields Market	£1,400,000.00	£2,100,000.00
Total	£28,700,000.00	£43,300,000.00

- 7) On Costs were calculated as per the table below. However, the method of delivering the work will impact on this figure. For example, if delivered as larger capital projects, then high percentage of risk (say 35%) will need to be added but many works can be delivered locally or by existing Building, Repairs and Maintenance Programmes, which will significantly reduce the on costs. Carbon reduction figures may also need to be added to these figures.

Preliminaries	Overheads & Profits	Consultants Fees	Total
20%	8%	23%	51%

- 8) At Billingsgate and New Spitalfields Markets, based on the existing leases, the costs relating to most of these works could be recovered from tenants under their service charges. However, the volume and cost of identified repairs significantly exceeds that previously anticipated and there must be concern whether tenants will be able to meet them. At Smithfield Market the service charge is capped and current expenditure already exceeds the cap so all identified costs will fall on the City as landlord.
- 9) The surveys have been shared with each Superintendent and an exercise is underway to establish how these works will be delivered. CSD FM have worked through the details with each market to gain a deeper understanding of the information, the operational impact, risks and feasibility of delivering the works around market operations and Forward Maintenance Plans are being revised to include the survey information.
- 10) An initial delivery plan addressing work identified as urgent/immediate has been agreed with each Superintendent. This will bring the identified assets to a 'good' standard (satisfactory in the surveys) in line with the Corporate Asset Management Plan with works expected to be delivered in 2022/23. Capital Bids have been submitted to address 'Urgent/Immediate' issues at Smithfield Market where appropriate. See below for breakdown of plans.

Spitalfields

11) The site is generally in a good condition, however, there is pressure on the local budgets with projects not identified by the surveys – replacement barriers etc. There will be no major capital project being launched immediately from the surveys as further investigation is required.

12) Key actions:

- Survey highlights £230,000 for roof works, the plan is to commission a full intrusive survey of the roof, paid for by Spitalfields service charge to inform the way forward.
- £135,000 of small works identified in the survey are to be covered by the in-house maintenance team or City Surveyor's Department Building Repairs and Maintenance provision, through the Spitalfields R and R fund and BRM breakdown budgets, over the next few years as part of general day to day running of the market.
- £63,000 of electrical works highlighted as 'poor/life expired' in the survey are all covered by the 5 Year Fixed Electrical testing regime – next full test is in 2023 and a request will be put in to do a deep condition survey of each distribution board. Provision has been put in the forward maintenance plan to cover remedials/works identified as an outcome in 24/25 and 25/26.
- £25,000 of fire alarm works identified in the surveys require further investigation, it has been agreed a full health check will be undertaken by the CSD FM team to see the extent of what is required and will discuss outcome with site.

Billingsgate

13) This site is generally in a tired condition, with assets life expired but functioning at present, however, if approved, the plans to build Additional Fish Handling Facility will offer resilience for the market operations. At present there is no immediate capital project planned for the site as a result of the survey information, but the surveys have increase to sums in the Forward Maintenance Plan in the future, which will need to be funded if works are progressed.

14) Key actions:

- Concrete car park works are highlighted in the survey – a complete overhaul is not possible while keeping the market operational but local site team have £60,000 allocated per annum to make repairs and do planned maintenance tasks on these areas.
- £50,000 Cold Store Roof works identified in survey being addressed by separate report to Markets Committee.
- Roof works identified in survey have been revised to a repair schedule rather than a full replacement as it is not deemed essential. Repairs will be carried out locally and from the Billingsgate Maintenance Budget.

- The largest cost identified in the survey is potential sprinkler system replacement approx. £500,000. The next step is to carry out the 25 year sprinkler testing to see the extent of works required at approximately £30,000 funded from the Billingsgate Maintenance Budget.
- Survey highlights that the electrical systems are life expired but site is covered by the current 5 year fixed wire test and remedial works have taken place for COL responsibility areas, and they are compliant, wholesale replacement or rewire is not deemed necessary or practical at present. There is a full Low Voltage shutdown planned for Billingsgate in September 2021 which will help inform further works and address any immediate concerns.

Smithfield

15) Smithfield has the largest most immediate areas of spend identified in the surveys in both the East and West and Poultry Market buildings. Capital Projects Bids have been submitted through the Chamberlain's annual bid process and there is further work and planning taking place to scope out works required around market operations.

16) Key actions (East and West):

- Capital project bid submitted requesting £1,050,000 City Cash to fund project to replace Smithfield Car Park ceiling coating which is failing and causing damp ingress to car park and plant rooms.
- Capital project bid submitted requesting £300,000 City Cash to fund overhaul of the glass canopy surrounding the market, which is deemed urgent immediate.
- Capital project bid submitted requesting £600,000 City Cash to carry out further repairs on the East Poultry Avenue concrete canopy.
- £1,850,000 has been identified in the surveys for potential sprinkler system – it is proposed to use £100,000 of CWP money to carry out 25 Year Sprinkler Inspections to create a plan to inform what is required.
- There is further design/survey work to be done on condenser water system and chiller pipework, air handling units, electrical systems, CCTV and Fire Alarm, in order to create a programme of works which is feasible to be delivered whilst keeping the market operating. It is expected that these works will then be delivered by requesting capital bids and CWP funds in 2023.

17) Key actions (Poultry Market):

- Capital project bid submitted for £2,700,000 to replace the non-domed roof covering and address areas where it is failing.
- There is further design/survey work to be done on electrical systems, condenser water system and chiller pipework, internal concrete repairs, CCTV and Fire Alarm, in order to create a programme of works which is feasible to be delivered whilst keeping the market operating. It is expected

that these works will then be delivered by requesting capital bids and CWP funds in 2023.

- 18) Works captured under the minor project/CWP and Building Repairs and Maintenance budgets have also been identified and will continue to be progressed under these channels.

Corporate & Strategic Implications

- 19) **Strategic asset management:** We will develop asset management strategies that align Corporate Property Strategy, Investment Property Strategy and risks. We will ensure that we unlock the potential of our property assets in a way that supports the efficient delivery of the Corporate Plan and Service Departments' objectives.
- 20) **Property assets and facilities management:** We will ensure buildings are fit for purpose, sustainable, safe and secure, providing access for all, meeting service needs and community expectations and delivering value for money through enhancing our efficiencies; this includes asset management plans, facilities management including hard (planned and reactive maintenance) and soft services (cleaning, security, etc), cyclical projects and minor improvements and delivery of major capital projects for refurbishments and new builds.
- 21) **Sustainability:** The surveys have highlighted some works related to building services and BMS, which could present opportunities for climate action works to be undertaken, though the payback periods are unlikely to be favourable.

Conclusion

- 22) The survey information has recalibrated the Forward Maintenance Plans for each market, and going forward they will be reviewed, managed and monitored through the usual channels. This includes further survey work and investigation to scope work identified in the surveys.
- 23) This report presents the initial steps to tackle the urgent /immediate works and steps to be taken in year 2022/23. The City Surveyor's Department will continue to work with the Superintendents to make a feasible delivery plan for the next stage of the maintenance works required.

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Appendices

None