

Markets Board on 13 July 2022 Resource Allocation Sub-committee on 15 July 2022	For Decision For Information
Poultry Market – Surplus Declaration	Public
Which outcomes in the City of London Corporation’s Corporate Plan does this proposal aim to impact directly?	2,3,4,5,7,8,9,10,11,12
Does this proposal require extra revenue and/or capital spending?	No
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: Markets Director, The Comptroller and City Solicitor, Major Programmes Director, Chamberlain, The City Surveyor	For Decision
Report author: Ben Milligan, Director of Markets	

Summary

Under the London Central Markets Act of 1875, in respect of the Poultry Market, City of London Corporation has the power to dispose or otherwise use this land if it no longer requires it to be retained for London Central Market purposes.

This report advises the Markets Board as to why City of London Corporation no longer requires this land and appurtenances thereon (known as the Poultry Market) for London Central Market purposes. The report further recommends that the Markets Board resolve, on behalf of the Corporation, to confirm, as described in this report and under s25 of the London Central Markets Act of 1875, that this land should therefore be made available for alternative use. The wording of section 25 of the 1875 Act is attached at Appendix A.

Recommendation(s)

This report recommends:

- a) That subject to completion of all Deeds of Surrender for leases within the Poultry Market and suitable alternative arrangements being made for relocation of services provided to the East and West Markets from the Poultry Market as explained in this report, the Markets Board resolve that the Poultry Market (save for the three first floor plant rooms containing cooling towers and related

apparatus) is no longer required to be retained for market purposes and can be disposed of or used for other purposes.

- b) That the Town Clerk be delegated, in consultation with the Chairman and Deputy Chairman of Markets Board, authority to determine when the provisos to Recommendation a) have been satisfied, if not fully satisfied by the date of this Board, and when Recommendation a) therefore comes into effect.

Main Report

Background

1. Smithfield Market, otherwise known as the London Central Markets, has three buildings in current use for market purposes: the East and West buildings and part of the Poultry Market. A plan of the London Central Markets is shown at Appendix B.
2. Wholesale markets have been a feature of the City of London for many centuries. Smithfield Market is the only remaining wholesale market within the City, but City of London Corporation (“CoLC”) still owns and manages Billingsgate Fish Market and New Spitalfields Fruit & Vegetable Market which are located in the London Boroughs of Tower Hamlets and Waltham Forest respectively.
3. CoLC is progressing a Markets Co-location Programme (“MCP”) for the possible co-location of all three markets at Dagenham Dock. There are also proposals to relocate the Museum of London to the General Market and (should it be vacant and available) to the Poultry Market. However, it should be noted at the outset that neither the MCP nor the Museum of London proposals are relevant to the question of whether or not the Poultry Market is required for market purposes.
4. The prior question and, importantly, the question to which this report is addressed, is whether or not the Poultry Market is required for market purposes in the light of the current extent and nature of its market uses (including ancillary market uses), the extent of vacancy and underuse of the building, the extent and nature of other non-market uses in the building and the ability to accommodate the markets uses elsewhere in the East and West buildings.

Current Use of Poultry Market

5. A drawing showing the current uses of the Poultry Market is attached Appendix C.
6. Over time, the Poultry Market has seen the greatest changes to its use, becoming the least well-utilised of any of CoLC’s market buildings (which are still in occupation). This began in 1980 with the letting of the central basement for storage purposes as there was no demand for the extra cold store space, and on the basis it was no longer required for market purposes. Subsequently, the use for storage ceased and the basement became vacant. Only part of it is used today by Keltbray (which is not a market operator) for non-market temporary storage purposes.

7. The central basement space (former cold store) is surrounded by basement units and plant areas, including staircases giving access to the basement units. The basement units and adjoining areas on the western side (shown marked in Appendix C) are not reasonably capable of being put to market use for the reasons explained below.
8. The ground floors of units 232, 231 and 230 have formed part of the Animal By-Product Facility (“the ABP Facility”) since 2011. The basements of these units can only be accessed from a single staircase in the northwest corner of the building and are therefore for reasons of fire safety not occupiable. They have been vacant for many years.
9. The ground floors of units 229 and 228 are occupied by the market’s facilities team with 226 and 227 used as a forklift/pump truck recharging bay. The basements of those units are highly inaccessible. The only access is via narrow spiral staircases within the units, as the lifts in the units are not operational and the basements cannot therefore be readily occupied for market purposes. They have also been unoccupied for several years and are in a semi derelict state. The markets facilities team does not require the basement areas of the units mentioned above. For these reasons, the basement units described above and in paragraph 8 were determined to be no longer required for market purposes by Markets Committee in November 2021. As such, the recommendations in this report relate only to the remaining areas of the Poultry Market (in respect of which no decision that they are no longer required for market purposes has previously been made).
10. The remaining areas of the Poultry Market comprise 32 units. A number of these are vacant or used for other purposes other than market use. The occupation is now as follows:
 - a) 17 are market stalls let to traders;
 - b) 1 is a storage unit let to a market refrigeration contractor;
 - c) 5 are vacant (see the section ‘The Current Condition of the Poultry Market’ regarding impact of ongoing works);
 - d) 6 are used by the Corporation for stores, workshops and the ABP Facility (which can be readily accommodated elsewhere in the vicinity);
 - e) 3 are communal fork-lift/pumper truck charging facilities which can be accommodated elsewhere;
 - f) There are also market offices, welfare facilities and workshops on the first floor (which can be readily accommodated elsewhere in the immediate vicinity) and a Market waste consolidation/transfer area on the ground floor in the north covered way (which is to be relocated or managed by modified waste collection arrangements);
 - g) On the first floor there are 3 plantrooms containing the Market condenser water cooling towers; and
 - h) The Oriole Bar, formerly the Cock Tavern, is not an operational market area and will be vacated by 31 January 2023.

Proposed Arrangements for Accommodating Market or Market-Related Functions Currently Carried Out at the Poultry Market

11. It is proposed that the market and market-related activities currently undertaken at the Poultry Market are provided for as follows:

Use	Existing location	Relocation Site	Detail
Market maintenance office, lockers and welfare facilities	Poultry Market	79-83 Charterhouse Street	There is adequate space at CoLC's premises at Charterhouse Street, which is very close by and convenient
Maintenance stores & workshops	Poultry Market	Smithfield Car Park	There is adequate space at the car park, which is extremely proximate and convenient
Forklift storage/charging (CoLC equipment only)	Poultry Market	79-83 Charterhouse Street	There is adequate space for CoLC equipment at CoLC's premises at Charterhouse Street, which is very close by and convenient
Tenant forklifts/pumper trucks		Tenant premises	Tenants have confirmed their own equipment can be accommodated in their premises in the East and West buildings
Waste area	Poultry Market	Daily collection currently under scope and option decisions	It is proposed that all waste is collected daily to reduce/remove the need for storage (which arises only when there are less frequent collections). This is considered a satisfactory and more sanitary arrangement for market operations than existing
ABP Refrigeration Unit	Poultry Market	Daily collection service from 79 Charterhouse Street	Alternative provision within the curtilage of the East & West Market including the potential of a daily collection service
Stalls	Poultry Market	N/A	Use of stalls for active face-to-face trading between buyers and sellers is low level and generally limited to peak periods, mainly Christmas and Easter. Stall holders who also have premises at East & West Market will continue to carry out face-to-face sales from there. A small minority may cease trading but it is considered displaced trade in face-to-face sales can be adequately accommodated by

			intensification of this use at East & West Market
Break-up and consolidation	Poultry Market (covered ways)	East and West Market or off-site	Pallets are received by traders and the contents broken up into smaller quantities for sale from stalls (mainly at stalls at East & West Market) or for direct despatch to customers. To the extent this activity relates to some meat for sale from East & West Markets, this activity will take place at the East & West Markets. To the extent this activity relates to meat for direct despatch to customers it does not require face-to-face trading and the activity is not therefore dependent on market premises
Storage use by traders	Poultry Market	East and West Market or off-site	Significant areas of the let stalls are used for storage. To the extent this activity relates to storage of meat for sale from East & West Markets, this activity will take place from East & West Markets. To the extent this activity relates to some meat for direct despatch to customers it does not require face-to-face trading and the activity is not therefore dependent on market premises
Cooling Towers	Poultry Market	N/A - remaining at Poultry Market	The 3 1 st floor plant rooms containing the condenser cooling towers and related apparatus are not included in the surplus resolution. Access rights will be reserved

12. It should be noted that CoLC and the market traders (through the SMTA) have been liaising closely. The above arrangements have been developed (and continue to be refined) in discussion with the traders and, if the recommendations are agreed, it is proposed to continue working in close co-operation with the SMTA to ensure that the market activities in Poultry Market as described above are appropriately consolidated through an effective transition in the ways described above.

Impacts and Evaluation

13. There will be a small amount of market trade, in the sense of face-to-face buying and selling, which is displaced from the Poultry Market. However, it is considered

that this can be adequately accommodated through marginal intensification of this use at the East and West Market. The facilities at the East and West Market for face-to-face buying and selling are considered sufficient to meet any extra demand due to cessation of face-to-face buying and selling at the Poultry Market.

14. Other market-related activities and support services currently provided from the Poultry Market can be reasonably and conveniently accommodated in the immediate vicinity as set out in paragraph 11 (other than as set out at paragraph 15 below).
15. The exception to this is activity relating to break-up and consolidation of meat (mainly delivered on pallets), where the product is made up into orders for direct despatch to customers. It is considered that this logistics activity and related storage does not involve face-to-face trading and is not therefore dependent on market premises. As such, in some cases it can be carried out off site.
16. It is acknowledged that operational arrangements will need to be modified and carefully managed to ensure that the support services for the market function provided by CoLC, and the intensified storage and logistics activity at and around the East and West Market, can be provided efficiently and effectively (such as introduction of daily waste collections).
17. However, it is considered that all necessary modification can be achieved to ensure that all displaced demand for market services can be met from the East and West Market. The modifications will be put in place if the recommendations are agreed and given effect. It is further considered that Smithfield (through marginally intensified provision of face-to-face buying and selling at the East and West Market) could continue to offer the same range and availability of produce to its market customer base if market use were to cease at the Poultry Market
18. As such, it is considered the Markets Board is open reasonably to conclude that the Poultry Market (insofar as it has not already been found to be no longer required for market purposes) is not required for market purposes as provided for in the recommendations. Given the evident scope for consolidation and better use of the East and West Market and the ability for all market activity to be appropriately accommodated in those buildings, it is considered that the Poultry Market is no longer required for market purposes.

The Current Condition of the Poultry Market

19. This section of the report is not directly relevant to whether or not the Poultry Market is required for market purposes but is provided as background particularly in relation to the vacant units and as part of the context for their vacancy.
20. Smithfield Market buildings are older than the buildings accommodating Spitalfields and Billingsgate, and they are listed. Following a fire in 1958 which destroyed the original Victorian building a new market hall with basement, ground and first floor accommodation was completed in 1963. This building provides flexible open plan space for trading built, as was common in the 1960s, from a reinforced concrete frame. Integral to this frame is a single span reinforced concrete domed roof which when constructed was the largest of its kind in the

Europe. Reflecting the special nature of the roof, the building was listed Grade II in 2000.

21. The Poultry Market has never been fully refurbished and therefore the reinforced concrete frame and roof has gradually begun to deteriorate. Repair costs are recoverable by way of service charges payable by market tenants. Due to the impacts for tenants of service charge increases, market traders have requested routine and capital-intensive maintenance to be delayed. Following the 2013 lease renewal negotiations, major maintenance works were, by agreement with the tenants, deferred until the contractual expiry of the leases in 2028. This has contributed to the poor state of repair of this building at the current time.
22. In 2017, the Corporation began evaluating options to repair the concrete Dome roof and Monitor roofs by undertaking a programme of extensive repairs. Works to stabilise, re-screed and renew the copper covering on the Dome roof started in 2020 and is due for completion in 2023. Vacant stalls at the Poultry Market have not been let due to risks of disruption to tenants by the works.
23. The walls and roof of the Poultry Market are part of an integrated design. Works to the Dome roof have inevitably impacted the remaining fabric which was already deteriorating. The building has been extensively surveyed. Surveys note that the property encompasses a high volume of cracking and some areas of spawling to structural members. Many of the affected areas are within tenanted units. There is also visible cracking and deformation to the concrete frame at basement level.
24. As well as issues with the structural member it should be noted that the flat roofs and Monitor roofs have not yet been replaced; and if the building were to continue in occupation new stairwells, lifts, drainage pipework and ventilation equipment and MEP replacements would also be required. In the opinion of independent building surveyors, the extent of the works required through-out the building to return it to a state fit for full occupation would cause so such disruption that the Poultry Market would need to be closed for a period, likely to be in excess of a year following intrusive survey work.
25. The condition of the market building, impacts of works and the diminution of use of the building as a market has been the subject of extensive dialogue with the Smithfield Market Tenants' Association ("SMTA"). Following negotiation, arrangements for the Poultry Market tenants to vacate the building have been settled in principle (and is the subject of another report), subject to legal agreements. In the interests of continued joint working with the SMTA and to ensure proper management of the transition to new operational arrangements, Recommendation a) makes clear that any decision that the Poultry Market is no longer required for market use is subject to completion of the agreements with existing tenants relating to their departure from the Poultry Market.
26. As part of this negotiated agreement, a number of services will need to be seamlessly relocated by CoLC from the Poultry Market to enable continued operations in the East and West buildings, as set out at paragraph 11 above. The precise details of which are being discussed with the SMTA.

Legal Implications

27. CoLC is required to make provision for the operation of a market (being a “concourse of buyers and sellers”) at Smithfield Market (unless the relevant Smithfield legislation is amended or revoked by Act of Parliament). However, the extent of market provision which it is necessary to make available, whether this should include the Poultry Market and the determination of whether or not the Poultry Market is required to be retained by the Corporation, is a matter for the discretion of CoLC as market authority, acting reasonably. All other legal implications are in the body of the report.

Financial Implications

28. There are no specific financial considerations associated with the resolution to declare the Poultry Market land and buildings as no longer required for market purposes and available for another use.

Equalities Implications

29. Equality is about ensuring that every individual has an equal opportunity to make the most of their lives and not experience discrimination because of who they are, where they come from, what they believe or whether they have a disability.

30. The Equality Act came into effect in October 2010 and replaced the Disability Discrimination Act and other anti-discrimination legislation. It legally protects people from discrimination in the workplace and in wider society. Section 149 of the Equality Act (2010) sets out the general equality duty: “A public authority must, in the exercise of its functions, have due regard to the need to:

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.”

31. In relation to declaring the Poultry Market no longer required for market purposes, the main equality considerations include eliminating discrimination as far as possible and advancing equality of opportunity for anyone who used the Poultry Market and would be affected from its closure.

32. A Test of Relevance was undertaken to understand whether an Equality Assessment was necessary, and the test anticipated that there would be ‘no impact’ on protected groups. The closure of the Poultry Market building has no identifiable impact on any particular community, neither traders or customers. In particular, no protected characteristic will be negatively impacted by ceasing activities in the Poultry Market as any in-person buying (considered minimal) can still be made at grade in the East and West Markets a short distance away.

Conclusion

33. For the reasons set out in the Impacts and Evaluation section of this report, it is considered open to Markets Board to decide that the Poultry Market is no longer required for market purposes.

Appendices

A – Section 25 of the London Central Markets Act of 1875

B – A plan of the London Central Markets

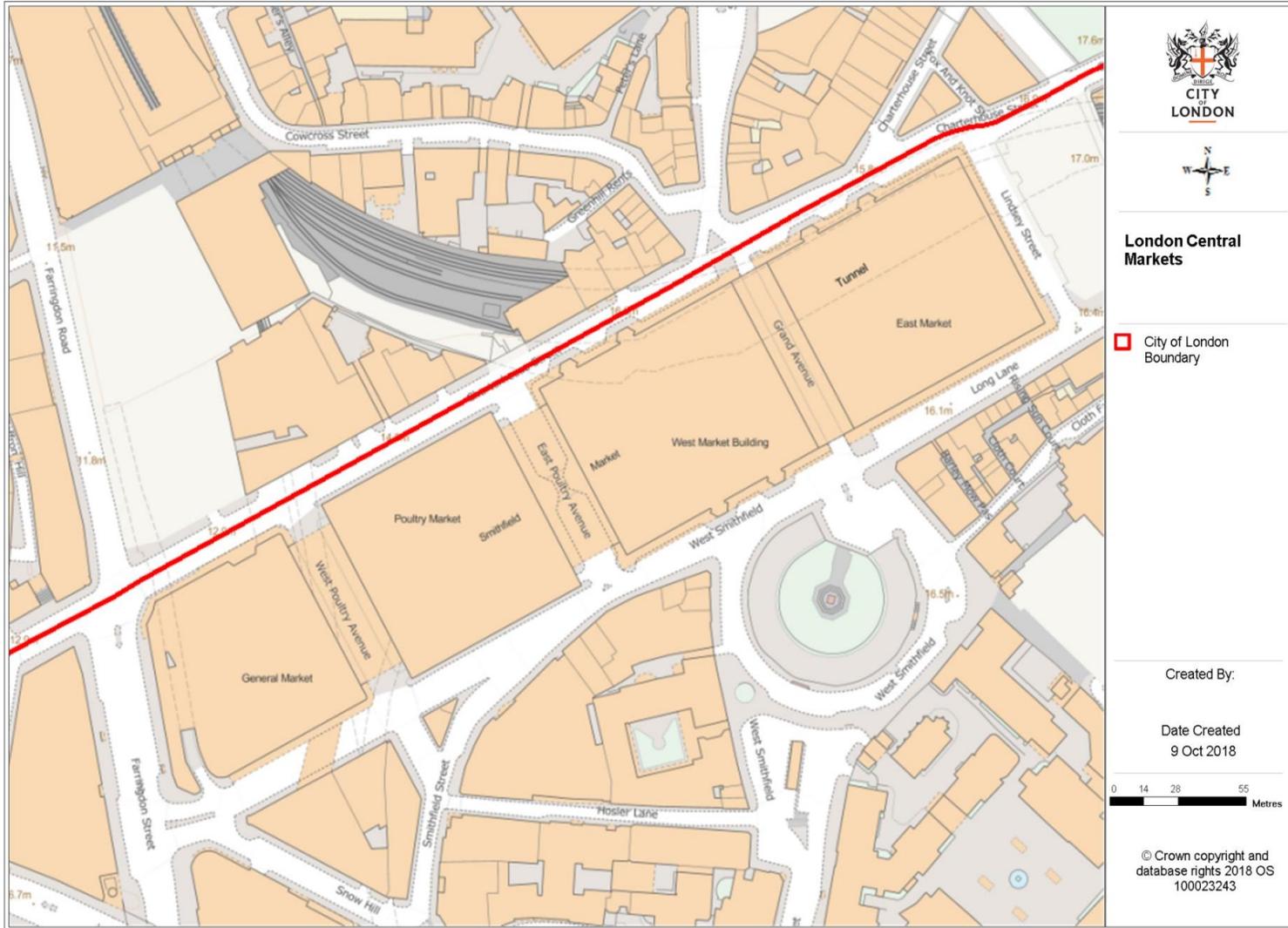
C – Utilisation plan for the Poultry Market

Appendix A – Section 25 of the 1875 Act

25. The Corporation may from time to time sell, lease, exchange, or otherwise dispose of, at such prices or rents, for such terms, and with and subject to such covenants and conditions, and generally in such manner as they think fit, or appropriate and use for any purpose, any lands acquired by them for purposes of the London Central Markets, or any of them, but not required to be retained by them for those purposes, and the site of Farringdon Market and its appurtenances, and may make, execute, and do any deed, act, or thing proper for effectuating any such sale, lease, exchange, disposition, appropriation, or use.

Power for Corporation to dispose of surplus lands and of site of Farringdon Market.

Appendix B – Plan of the London Central Markets



Appendix C – Utilisation plan for the Poultry Market –