


<b>Cabinet</b>  11 September 2024	 <b>TOWER HAMLETS</b>
<b>Report of:</b> Paul Patterson, Corporate Director, Housing and Regeneration	<b>Classification:</b> Open (Unrestricted)
<b>Whitechapel Market Stalls – Production and Installation Contract</b>	

<b>Lead Member</b>	<b>Councillor Kabir Ahmed, Cabinet Member for Regeneration, Inclusive Development and Housebuilding</b>
<b>Originating Officer(s)</b>	Alex Hatt, Dave Hughes, Alicia Jones, (Head of Regeneration), (Interim Director of Regeneration and Assets), (Executive Support Team Leader)
<b>Wards affected</b>	Whitechapel;
<b>Key Decision?</b>	No
<b>Reason for Key Decision</b>	This report has been reviewed as not meeting the Key Decision criteria.
<b>Forward Plan Notice Published</b>	30/07/2024
<b>Exempt information</b>	N/A
<b>Strategic Plan Priority / Outcome</b>	Priority 4: Boosting culture, business, jobs, and leisure

### Executive Summary

Approval is being sought to authorise the procurement process to fabricate and install new market stalls on Whitechapel Road following the successful trial of prototype structures.

This work forms part of the Whitechapel Road Improvement Programme (WRIP), which continues to see significant investment in the public spaces around Whitechapel, its market, and associated infrastructure, to create the best possible environment for local communities. The WRIP was developed out of the Whitechapel Vision Masterplan (WVM), which saw the revitalisation of the market as a central component to respond to the wider changes happening in the area. A market stall prototype has been trialled on Whitechapel Road’s northern footway successfully for several months, and feedback collected from a large range of stakeholders (including the traders themselves) has informed the final design and functionality of the market stalls.

The total cost of the contract is estimated at £3.8m, with funding provided as part of the Levelling Up Fund.

## **Recommendations:**

The Mayor in Cabinet is recommended to:

1. Authorise the Corporate Director Housing and Regeneration, in consultation with the Mayor, to award a contract following a compliant procurement process as referred to in this report
2. Authorise the Corporate Director Housing and Regeneration to require the execution of any agreements and associated documentation to give effect to recommendation 1

### **1 REASONS FOR THE DECISIONS**

- 1.1 As this contract is valued more than £1,000,000, authority to proceed is given by Cabinet.
- 1.2 This decision is required to meet the goals of the Whitechapel Road Improvement Programme (WRIP), and forms part of the wider Strategic Priority 4: Boosting culture, business, jobs, and leisure.

### **2 ALTERNATIVE OPTIONS**

- 2.1 Cabinet could choose not to proceed with the Market Stall Project and the existing make-up of Whitechapel Market would remain as present. This would compromise our ability to fulfil the goals of the WRIP.

### **3 DETAILS OF THE REPORT**

- 3.1 The WRIP will see significant investment in the public spaces around Whitechapel, the market stalls, and associated infrastructure, to create the best possible environment for local communities.
- 3.2 The WRIP was initiated in September 2020, in response to the significant changes taking place within the Whitechapel District Centre, including the move of the Tower Hamlets town hall to the old Royal London Hospital building; the arrival of Crossrail; and a number of private developments coming forward nearby.
- 3.3 The WRIP was developed out of the Whitechapel Vision Masterplan (WVM), which saw the revitalisation of the market as a central component to respond to the wider changes happening in the area, and a piece of work that would not be brought forward by the existing changes. Whilst the WVM was unadopted as part of the last Local Plan refresh, these themes continued to be integrated within the Local Plan's vision for the City Fringe, including the deliverability of high-quality public realm around the new Town Hall, and improvement and promotion of the street market.

- 3.4 The Council's Regeneration vision, adopted in 2020 and refreshed in 2023, supports the delivery of the programme under a number of its Outcomes, including Outcome 1: Infrastructure and placemaking; Outcome 4: Public realm and the environment; and Outcome 8: Town centres and markets.
- 3.5 Upon the change of LBTH administration in 2022, it was confirmed that the programme remained a key priority for the borough, and delivers upon Outcome 4 of the Strategic Plan, Boosting culture, business, jobs, and leisure.
- 3.6 The WRIP consists of three, interlinked strands of work:
  - 3.1.6 Public Realm: enhancements to the quality, organisation and functionality of the street to increase accessibility, wayfinding and safety, and clearly define spaces for different uses and activities.
  - 3.2.6 Market Stalls: upgrades to stalls to create a consistent design and improved shopping environment
  - 3.3.6 Market Management: Determining a vision for the long-term success of the market and improving the day-to-day function of the market operations.
- 3.7 Alongside these strands of work, which form the LBTH element of the programme, Transport for London (TfL) are also making improvements to shop units along the northern footway of Whitechapel Road, as part of their wider Shopfront Improvement programme (SIP).
- 3.8 In October 2021, LBTH were successful in securing £9.3m from the Levelling Up Fund to deliver the programme. This funding included £1.073m for TfL to fund repairs to additional, non-TfL owned properties, as part of the SIP. This funding is required to be committed to the programme by the end of the current financial year (2024 – 25); the programme itself can extend beyond this date utilising the remaining capital borough match funding via CIL (£2.45m approved).
- 3.9 LBTH have subsequently worked in close collaboration with TfL to develop and deliver the programme, as the majority of LBTH works is scheduled to take place on the Transport for London Road Network (TLRN).
- 3.10 Work on the southern footway of Whitechapel Road commenced in October 2022, following Technical Approval from TfL, and was completed in June 2023, including the completion of the footway works in time for the opening of the new Town Hall.
- 3.11 Development work on the northern footway works has continued since then, including the installation of a market stall prototype, which has been trialled on Whitechapel Road's northern footway successfully for several months, and feedback collected from a large range of stakeholders (including the traders themselves) has informed the final design and functionality of the market stalls. It has been widely agreed that the Market Stall structures make the

market area cleaner, more orderly, and better environment to buy and sell products, as well as easier for council teams to manage.

- 3.12 A planning application is due to be made to the Council imminently for the main stall design, and in order to ensure efficiencies in the programme for the WRIP, approval for the procurement of the fabricator of the stalls is sought in conjunction with the determination of the application so that an exercise can be launched as soon as possible post-approval.
- 3.13 Submission to TfL for Technical Approval for both the market stall and public realm works will follow in September 2024.
- 3.14 This procurement exercise will include the stall structures themselves, alongside a significant number of spare parts to assist with short-term operational maintenance. Day-to-day management of the stalls, including responding to trader issues with the structure with regards to normal wear and tear, will be the responsibility of the LBTH Markets team. The successful supplier will be added to the LBTH supplier list to manage the purchase of additional spare parts as required.
- 3.15 The total budget for the contract is £3.8m; this includes a 15% risk allowance.
- 3.16 Alongside the capital project, there is an acknowledgement that the new stalls will represent a change in ownership and management of the market. Currently, traders are responsible for their own stall equipment, including its storage overnight. Under the new proposal, the Council will assume ownership of the stall infrastructure and lease it to the traders under an addendum to their pitch license conditions, including training on how to set up the stalls and operate them safely, and on what constitutes normal wear and tear, and responsibilities for replacements should damage occur outside of this. LBTH Markets will manage this responsibility, which will also represent an on-going revenue implication for the service. As part of the production contract, 12 months of warranty will be expected of all components, and an additional 12 months of spare parts will be sought as part of the overall price, leading the revenue implication to come onto the service 24 months post-completion; with completion currently estimated at September 2025, this will mean revenue implications coming into place in September 2027.
- 3.17 In addition, LBTH Highways have agreed in principle to undertake regular maintenance checks on the structures, and to be the point of responsibility should structural damage occur over and above that which could be addressed through replacement parts. This has been estimated at £10,000 per annum, with costs being covered by the capital project for the first 12 months of operation; draw on this amount will depend upon the nature of repair / replacement work required, which could vary by year.
- 3.18 Given the bespoke nature of the structure, final confirmation of the revenue requirements, including warranties, lifespan estimations, and revenue impact on the LBTH Markets Team, will be obtained by LBTH prior to the awarding of the contract.

3.19 Disruption to the public realm and market pitches on the northern footway of Whitechapel Road is being managed by LBTH Highways in close collaboration with LBTH Markets. A construction and health and safety plan for the works will be shared with stakeholders in advance of commencement.

#### **4 EQUALITIES IMPLICATIONS**

4.1 There are no equalities implications.

#### **5 OTHER STATUTORY IMPLICATIONS**

5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:

- Best Value Implications,
- Consultations,
- Environmental (including air quality),
- Risk Management,
- Crime Reduction,
- Safeguarding.
- Data Protection / Privacy Impact Assessment

5.2 This will be an open tender process. Preliminary discussions have been had with the fabricator of the prototype stalls that have been trialled, but the open tender will be an opportunity to test the market and ensure the best value possible for the council.

#### **6 COMMENTS OF THE CHIEF FINANCE OFFICER**

6.1 This report is seeking approval to award a contract to fabricate and install new market stalls at Whitechapel Road. The estimated cost of this contract is £3.8m.

6.2 These works are capital in nature and form part of a wider Whitechapel Road Improvement Plan where a total budget of £7.9m has been approved and included within the Capital Programme, £6.4m in 2024/25 and a further £1.5m in 2025/26. There is sufficient uncommitted budget to meet the estimated cost of delivering these contracted works.

6.3 The Council has secured grant funding of £9.3m from the Government Levelling Up fund to deliver these works in their entirety as well as a complimentary property repair project which will be delivered by TFL. There is therefore no capital contribution or borrowing requirement from the Council.

6.4 Although the contract will allow for a significant number of spare parts to maintain the infrastructure, there will be a longer-term revenue requirement for ongoing repairs and maintenance of the assets once these spare parts

have been utilised. This will represent a revenue cost to the General Fund for which there is no budget within the Highways service to meet this cost. A sustainable solution will need to be identified to mitigate the risk of a budget pressure and the need for revenue growth.

## **7 COMMENTS OF LEGAL SERVICES**

- 7.1 The Council has the legal power to undertake the procurement referred to in this Contract
- 7.2 The Council has the legal duty to subject a purchase of this nature to competition in line with the Public Contracts Regulations 2015. However, the regulations are due to change so where the advert for the process is placed after the 1<sup>st</sup> October 2024 then the new regulations must be followed
- 7.3 The Council has the statutory duty to ensure that any of its functions is delivered in a manner consistent with its Best Value obligations in terms of economy efficiency and effectiveness. Running a procurement exercise (referred to above and regardless of the prevailing procurement regulations then in force) where the winner is selected based upon a preadvertised set of quality related evaluation criteria blended with price assists the Council to demonstrate compliance with this legal duty.
- 7.4 The Council will subsequently monitor the contract to ensure compliance with its terms to further assist compliance with Best Value
- 7.5 Section 27 of LLAA 1990 makes provision for the imposition of conditions on street trading licences. These may be varied on renewal, or on 1st January in each year, or at any time on the application of a licence holder. The Council may also make regulations prescribing standard conditions that will be deemed to apply to all licences granted or renewed. The Council may, in addition, add further conditions that it thinks appropriate in any individual case. Consideration will therefore need to be given to amending the standard conditions applicable to the markets to which this report relates so as to require traders to use the receptacles provided.
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## **Linked Reports, Appendices and Background Documents**

### **Linked Report**

- NONE

### **Appendices**

- Images of proposed stalls and material samples

### **Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012**

- NONE

**Officer contact details for documents:**

Alex Hatt, Dave Hughes, Alicia Jones, (Head of Regeneration), (Interim Director of Regeneration and Assets), (Executive Support Team Leader)