

<p>Cabinet</p> <p>28 September 2022</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Ann Sutcliffe, Corporate Director, Place</p>	<p>Classification: Part Exempt (Appendix 1)</p>
<p>Watney Market: Approval to undertake urgent works</p>	

Lead Member	Councillor Saied Ahmed, Cabinet Member for Resources and the Cost of Living
Originating Officer(s)	Roselyn Unegbu - Head of Capital Delivery Kenneth Rose - Project Manager Sam Brown - Head of Facilities Management
Wards affected	Shadwell
Key Decision?	No
Reason for Key Decision	This report has been reviewed as not meeting the Key Decision criteria.
Forward Plan Notice Published	N/A
Exempt information	<p>This report and its appendices include information that has been exempted from publication as the Monitoring Officer:</p> <ul style="list-style-type: none"> • has deemed that the information meets the definition of a category of exempt information as set out in the Council's Access to Information Rules; and • has deemed that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. <p>The exempt information is contained in Appendix 1</p> <p>The exempt information falls into this category: 3. Information relating to the financial or business affairs of any person (including the authority handling the information)</p>
Strategic Plan Priority / Outcome	<p>Priority 4: Boosting Culture, Business, Jobs, and Leisure.</p> <p>Priority 5: Investing in public services</p> <p>Priority 6: Empowering communities and fighting crime</p> <p>Priority 8: A Council that listens and works for everyone</p>

Executive Summary

Watney Market underground car park is in poor condition. Remedial works are required to the concrete structure and drainage to meet health and safety standards and comply with statutory building regulations.

The sprinkler system needs to be refurbished to address fire safety issues in response to a LFB Deficiency Notice. New emergency lighting is required to increase safety and reduce ASB.

These works are affected by water penetration from above which also require remediating to ensure the effectiveness of the other improvements

The cost estimate for these works is £2.089m to be funded by existing borrowing. Given the value of the project, approval is required to enable this project to be added to the 2022-25 Approved HRA Capital Programme and delivered in the next 12 months.

Once works have been completed, there will be the additional benefit of bringing c. 82 car parking spaces back into use, in line with the mayor's manifesto pledge.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Approve the figure of £2.089m to enable the safety works to be undertaken at Watney Market carpark.
2. Approve the addition of the project to the 2022 – 25 approved HRA capital programme.

1 REASONS FOR THE DECISIONS

- 1.1 The cost estimate for these works is £2.074m to be funded by existing borrowing. As the carpark is an HRA asset, revenue costs to finance borrowing costs will be met from the Housing Revenue Account. Given the value of the project, approval is required to enable this project to be added to the 2022-25 Approved HRA Capital Programme and delivered in the next 12 months.
- 1.2 The lack of a serviceable sprinkler system results in this being a fire risk and will enable the upgrading of the sprinklers. At the same time the other improvements will work towards reducing ASB and bring the car park back into more general use.

2 ALTERNATIVE OPTIONS

- 2.1 There is no option to do nothing as the works are required for health, safety, and statutory compliance purposes and subject to a LFB Deficiency Notice.

3 DETAILS OF THE REPORT

- 3.1 This report requests approval via Cabinet to undertake urgent proposed works to Watney Market underground car park, which includes the refurbishment of the existing sprinkler system and emergency lighting, as well as works to the concrete structure and drainage, estimated at a cost of £2.074m budget approval will be required to enable this project to be added to the 2022-25 Approved Capital Programme and delivered in the next 12 months.
- 3.2 Watney Market underground car park is in very poor condition. Remedial works are required to the concrete structure and drainage to meet health and safety standards and comply with statutory building regulations. There are some areas of concrete degradation at the underground car park level and damage caused by extensive and ongoing water ingress. The current state of the property poses a risk to health and safety and falls short of statutory building compliance.
- 3.3 Watney Market is situated on a pedestrianised street between two THH managed residential blocks; Colstead and Melwood House. There are two street level service roads situated underneath the residential blocks that provide delivery access, lockup, and waste depositories to the South - East and South – West of the site. Service areas for the market and commercial blocks are accessed via Tarling Street and Timberland Road the latter being redundant.
- 3.4 There is a resident underground car park below the market concourse and commercial blocks accessed via a ramp at Deancross Street. This car park is in very poor condition and provides a combination of private parking for the residents of Colstead and Melwood Houses, as well as the One Housing Block, in addition to an LBTH car parking area which has not been used for a number of years.
- 3.5 Remedial works are required to the concrete structure and drainage to meet health and safety standards and comply with statutory building regulations. There are some areas of concrete degradation at the underground car park level and damage caused by extensive and ongoing water ingress resulting in numerous stalactites and stalagmites. The current state of the property poses a risk to health and safety and falls short of statutory building compliance.
- 3.6 The London Overground from Shadwell to Whitechapel runs underneath the market concourse area as well as a network of sewers which are not adopted by Thames Water and are therefore the Council's responsibility. The various

areas are managed by Tower Hamlets Homes, One Housing Group, Transport for London, and private entities.

- 3.7 The market and residential walkway surface areas consist of a mix of block paving and asphalt. Overall, the residential, market and underground car parks were built using concrete construction methods consisting of block frames, walls, and ceilings. The technical limitations of the precast concrete, cladding and early curtain walling systems as construction methods were not fully appreciated at the time.
- 3.8 The residential walkways, market area concourse, and underground car park, have inadequate surface water drainage and at underground car park level experience persistent flooding and water pooling and by virtue of the lime leakage and creation of stalactites there is evidence of concrete failure in places. The sprinkler and lighting systems are also life expired. With the sprinkler system having exceeded its lifespan it is no longer able to be adequately serviced and should there be a fire there is no guarantee that they will work, which is of great concern when there are residential blocks above.
- 3.9 There have been a number of fires throughout the car park area and service roads over recent years and a fire in one of the buildings above. After the last fire in the service road, the sprinkler system failed, and we had to place a fire watch in operation at a cost to the Council until we could get it to a position where it would operate again, although its continued operation is not guaranteed and the system cannot therefore be certified in its current state.
- 3.10 Extensive detailed inspections and surveys have been completed to assess the condition and durability of the building fabric. Recommendations have been made on the need for special repairs and maintenance and the suitability of the structures for proposed use. This included topographical, utility searches, trial holes, limited exposure inspections electrical, sprinkler measured, and condition surveys and site visits as well as Fire Safety and Health and Safety Audits to assess the extent of the remedial and statutory condition works required and associated costs.
- 3.11 Technical consultants have been commissioned and appointed to provide detailed recommendations on the immediate condition works priorities, and to develop a condition works programme.
- 3.12 The car park sprinkler system is no longer working and needs to be replaced. This is a fire risk which is currently being mitigated by a waking watch at a cost of £328 per day and was subject to a LFB Deficiency Notice and currently being monitored by LFB.
- 3.13 Emergency lighting in the underground car park is no longer functioning effectively and will be replaced with LED lighting to provide increased illumination along with vandal proof fittings that will assist in reducing the high levels of Anti -Social behaviour in the area

- 3.14 This is in addition to the recent repair of the security gate providing access to the underground car park, as well as surveys undertaken by the CCTV team to work towards reducing ASB.
- 3.15 If the concrete improvement works are not undertaken at the same time as the other health and safety remedial works, then there is the likelihood that warranties will not be granted. The reason is that the issue causing part of the damage to the wiring and pipework, namely the water penetration, is known and will be classified as a significant risk by the provider, which they will not cover.

The risks of not progressing with these works, means the building:

- Will be unable to meet building compliance standards
- Will constitute a Health and safety risk
- Will result in a fire safety risk for residents, currently mitigated by walking watch
- Remains difficult to clean, due to continued anti-social behaviour

4 EQUALITIES IMPLICATIONS

- 4.1 The report has 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 It is intended to use contractors who are already on the Council system and can draw down services from. This will expedite the work and they have already gone through our procurement systems.

- 5.3 By undertaking this work, it is intended that there will be a reduction in crime as a result of mitigating ASB

6 COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 Watney Market car park is a HRA asset. There is currently no provision within the council's existing approved 2022-25 HRA capital programme to

accommodate the safety works required to be undertaken at Watney Market carpark.

- 6.2 This report seeks approval for a sum of £2.089m to be included within the council's existing approved 2022-25 HRA capital programme to enable these safety works to be undertaken, which are proposed to be funded through borrowing. The annual financing costs relating to the borrowing is estimated at £124k and will need to be contained within existing HRA revenue budgets and within the HRA business plan. If approved, the cost of these works will be a first call on resources within the HRA capital programme when it is refreshed as part of the budget setting process. Watney Market car park is a HRA asset. There is currently no provision within the council's existing approved 2022-25 HRA capital programme to accommodate the safety works required to be undertaken at Watney Market carpark.
- 6.3 The council will review the funding for this project as part of the MTFs capital budget setting process 2023-26, and where as far as possible will look to identify alternative funding sources which are more financially beneficial to the HRA.

7 COMMENTS OF LEGAL SERVICES

- 7.1 The Council is legally required to comply with the LFB deficiency notice and therefore, also has the ancillary power to undertake the activities referred to in this report.
- 7.2 The Council intends to divide the multi-disciplinary work into its various disciplines in order to complete the works and services. This means that the Council will utilise a mixture of pre-existing tendered contracts where the scope of the framework covers the type of works required by that discipline and or new competitive procedures in accordance with the Council's Procurement Procedures and the prevailing law.
- 7.3 The prices under the pre-existing frameworks (such as the Mechanical and Electrical frameworks) have been subjected to competition and therefore the prices represent statutory Best Value. Similarly, newly quoted prices will also demonstrate Best Value by being what the market will bear for a given level of quality at the point the quotations are evaluated.
- 7.4 The Council will be going through the process of agreeing and or requesting submissions for the pricing of the various contracts referred to in this report. Appendix 1 shows the levels of budget the Council would expect to pay in respect of each strand. This information is restricted from the public on the grounds that if the market has prior knowledge of how much the Council may expect to pay in respect of each part of the works then this will impact on the Council's ability to achieve a fair market rate in any associated pricing exercise. Therefore, the public interest in knowing the information is outweighed by the public interest in maintaining the exemption and therefore it is appropriate that the public is excluded from the contents of Appendix 1

Linked Reports, Appendices and Background Documents

Linked Report

- Mayoral Briefing Note Watney Market – Urgent remedial works and installation of Sprinkler system and emergency lighting 1ST August 2022.

Appendices

- Appendix 1 – Cost Estimate (Exempt)
- Appendix 2 – Watney Market Underground Car Park LBTH Areas

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

- None

Officer contact details for documents:

N/A