



Council Supplement

Wyre Borough Council
Please ask for : Peter Foulsham
Democratic Services and Scrutiny
Manager
Tel: 01253 887606

**Council meeting on Thursday, 27 October 2022 at 7.00 pm in the
Council Chamber, Civic Centre, Poulton-le-Fylde**

Dear Councillors,

Please find enclosed additional papers relating to the following item for the above mentioned meeting which were not available at the time of collation of the agenda.

9. Fleetwood Market Improvement Works (Pages 3 - 8)

Report of Councillor Michael Vincent, Resources Portfolio Holder and Marianne Hesketh, Corporate Director Communities.

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Report of:	Meeting	Date
Councillor Michael Vincent, Resources Portfolio Holder and Garry Payne, Chief Executive	Council	27 October 2022

Fleetwood Market Improvement Works

1. Purpose of report

1.1 To enable significant structural works at Fleetwood Market costing an estimated £1,922,155 to be added to the Council's Capital Programme for 2022/23.

2. Outcomes

2.1 Effective management of a key council asset through delivery of significant enhancement works to the fabric of Fleetwood Market Hall, including the replacement of the main hall slate roof, windows and doors to ensure longevity of the building's lifespan and maintain a dry internal trading environment.

3. Recommendations

3.1 That approval is given to proceed with necessary structural improvement works at Fleetwood Market, mainly encompassing the roof but also including new doors and windows and that the scheme costing £1,922,155 be added to the Capital Programme for 2022/23, funded from capital receipts.

3.2 To approve the use of Custom House Lane car park for use as the Principal Contractor's site compound during the works and accept the loss of revenue during this period which is expected to be an estimated £14,000.

3.3 To approve that the council enter into a Main Works contract with the successful bidder, subject to the contract sum being within the project budget on the conclusion of RIBA stage 4.

3.4 That approval is given to proceed under the Exemption to Contract Procedures using the following exemption “exceptions may apply regarding the appointment of consultants, quantity surveyors, solicitors, barristers and other people providing professional services” contained within the Financial Regulations and Financial Procedures Rules to appoint and amend the professional services appointments of the multi-disciplinary design team, as required to conclude the delivery of the project within agreed budgets.

4. Background

4.1 Fleetwood Market is a significant council asset, providing the council with income of £539,727 in 2021/22 and supporting trade for over 150 stallholders. The success of the market is vital for the local economy as well as acting as a focal point for tourism, attracting visitors to the area from across the UK. To ensure the continued life of the building and keep the building operational and watertight, it is necessary to undertake significant improvements to the roof, doors and windows at the market. These works have previously been identified in our rolling capital investment programme, albeit at an estimated cost below that which is now identified in this report.

4.2 The rolling capital investment works covering most of the same elements in this report previously totalled an estimated value of £979,000. Since the collation of the original costs, the construction industry has seen significant increases in material and labour costs, as well as the reduced availability of materials. The projected figures also did not account for project delivery i.e., professional services, contractor prelims and profit. Additionally, the scope has increased, to now replace more automatic/manual doors and shutters as is required given that time has elapsed and in response to a more recent building condition survey.

4.3 In March 2022, a Portfolio Holder report was approved to invest in Fleetwood market through the acceptance of a grant of £999,468 from the Public Sector Decarbonisation Scheme for energy efficiency and decarbonisation works at Fleetwood Market which was match funded with £103,361 from the council. The total scheme was estimated to cost £1,102,829 and was added to the Council’s 2022/23 Capital Programme. Although separate, that project can run in tandem with the capital improvement works outlined in this report. Both sets of works at the market will maximise use of the external funding available.

4.4 The capital improvement works identified are outlined below:

Element	Issue	Response
Main hall slate roof	Leaking roof and materials/ roof elements at the end of their lifespan, causing disruption to trade and contributing to	Full roof replacement of main hall roof, with the incorporation of new insulation where

	deterioration of the building fabric.	feasible and roof lights.
Windows and doors	Doors and automatic operating mechanism continue to fail causing disruption to traders and operational issues for market hall staff. Poor thermal performance of these elements further contributes to increased energy requirements to heat the building.	Replace windows and doors with those having improved thermal performance.
Elevational masonry repair	Various essential repair works identified to brick and stone areas/ elements.	Undertake essential repair work only. Cosmetic repair work to be undertaken at a future date.
Rainwater goods	Rainwater goods require replacement/ repair/ or cleaning of debris. The failure of these elements contributes to the deterioration of the building fabric and will continue to do so without remedy.	Replacement/ repair/ or clean of debris all rainwater goods.

- 4.5** The project is currently at RIBA stage 2 in design development. The Principal Contractor will inform the design development process under a Pre-construction Services Agreement (PCSA). This agreement will conclude with a detailed and costed scheme to be delivered under a main works contract, using a Joint Contracts Tribunal Intermediate Building Contract with Contractors Design (ICD), 2016, subject to it being in line with the agreed project budget. The Principal Contractor will also be able to advise on the practical implications of the proposals and agree construction methods, effectively providing buildability advice in the context of the current volatile market.
- 4.6** The next project step is to conclude the detailed design (RIBA stages 3 and 4) with the design team and Principal Contractor and to enter into the construction contract to deliver the works. The process will determine the contract sum; however, the contract particulars are being drafted in advance so as not to cause delays to the programme.
- 4.7** A building condition survey was carried out towards the end of 2021 which highlighted the need to urgently address issues with the roof. The pitched lantern roof features asbestos sheeting with a polycarbonate roof-light to the full length of the building. It is generally in a very poor condition and every time it rains there are reports of numerous leaks throughout which causes operational hazards. A condition survey has indicated that the majority of the roof is original, with the west slope of the main hall consisting of 130-year-old slates. The east slope has evidence of being extensively altered over the years. The report also contains commentary by a technical slate expert who notes that the slate may

have less than 10 years' useful life left. The roof is also of a fragile nature so it has become very difficult to get contractors to carry out any remedial work. Several options have been considered by the design team and flexibility has been built into the tender to ensure the council gets best value. The options consider a balance between slate tile size, weight, insulation and loading on the existing structure as well as considering cost and lead-in time to procure materials in the current market.

5. Key issues and proposals

5.1 Project budget

5.1.1 The project budget required to deliver the works is outlined below.

5.1.2 Project budget summary

Item	(£)
Fees	402,312
Surveys and Investigations	9,305
Statutory Applications	2,768
Construction Estimate (including 18% inflation)	1,993,029
New Sub-station	90,000
Highways	1,574
Contingency on Construction element only (10%)	199,303
TOTAL	2,698,291

5.1.3 Project funding source

Funding Source	(£)	Spend Timescale
Wyre Council Capital Investment	1,922,155	-
Historic England High Street Heritage Action Zone (HSHAZ)	512,136	Full spend by end of March 2023 (claim deadline mid-March 2023)
UK Shared Prosperity Fund (UKSPF)	264,000	Spend to start beginning of March 2023.
TOTAL	2,698,291	

5.1.4 The UKSPF allocation has been included in our investment plan but is subject to confirmation from central government and the wider funding allocation will be the subject of a further report.

5.1.5 The Principal Contractor returned an original tendered figure of £2.87m for the above works, including the decarbonisation scheme already approved and estimated to cost £1.2m. Inflationary pressures, supply chain and contractor availability limitations and the complexity of the works themselves have all added to the increased cost. As such, the non-essential, cosmetic works to the elevations of the market have now

been omitted owing to technical application, programme and budgetary issues. This has resulted in a reduced estimated contract cost of £2.5m (excluding contingency). However, this will be subject to further detailed design development.

5.3 Operational impact of work on the market hall

5.3.1 The market hall is occupied by tenants who benefit from a covenant for quiet enjoyment. The intention is to keep the market operational throughout the works. There may be some impact from live work being undertaken, and thus interruption to the tenant’s quiet enjoyment, is possible and cannot be assessed at this stage. As such, a project risk has been identified and will need to be monitored and kept under review, with any disadvantageous impact being balanced by the benefit of the council’s covenant to keep the building in repair, which would outweigh any temporary adversity.

5.3.2 There is also the risk of detriment to the council’s reputation despite the works being undertaken to improve the overall commercial prospects of the market. Officers will seek to work closely with traders and the public on clear communications, signage and acceptance of the offer from the Principal Contractor to have an identified trader liaison staff member.

5.4 Council car park

5.4.1 The use of local council car parks is mostly within the council’s control to offer as a solution for the main Contractor site compound area (subject to several electric car charging spaces which will need access to be retained); the Contractor has reviewed the options and identified Custom House car park as the most suitable. The new pocket park will remain unaffected as it will be excluded from the compound area. However, there is expected to be a loss of income from the site of around £14,000 during the expected duration of the works.

Financial and legal implications	
Finance	<p>The scheme is to be delivered at a project cost of £2,698,291 funded by external and internal funding as outlined in Section 5.1, but is subject to exclusions as also defined in Section 5.1. The contribution from the council of £1,922,155 will be met from capital receipts. The balance will be met from a combination of £264,000 UKSPF and £512,136 HSHAZ funding.</p> <p>Ongoing revenue costs will be absorbed within existing budgets associated with the asset and elements recovered via the service charge as normal. The loss of car park revenue estimated at £14,000 will be reflected in the 2022/23 Revised Budget.</p>

Legal	The Council will enter into the main works contract on the basis that the contract sum is within budget following completion of detailed design, and this complies with the Council's contract procedures contained within the Financial Regulations and Financial Procedures Rules as the requirement for a Principal Contractor was competitively tendered.
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Other risks/implications: checklist

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

risks/implications	✓ / x
community safety	x
equality and diversity	x
sustainability	✓
health and safety	✓

risks/implications	✓ / x
asset management	✓
climate change	✓
ICT	x
data protection	x

Processing Personal Data

In addition to considering data protection along with the other risks/ implications, the report author will need to decide if a 'privacy impact assessment (PIA)' is also required. If the decision(s) recommended in this report will result in the collection and processing of personal data for the first time (i.e. purchase of a new system, a new working arrangement with a third party) a PIA will need to have been completed and signed off by Data Protection Officer before the decision is taken in compliance with the Data Protection Act 2018.

report author	telephone no.	email	date
Julie Burke	-	julie.burke@wyre.gov.uk	17.10.22

List of background papers:		
name of document	date	where available for inspection
None		

List of appendices

None