



House of Commons  
Environment, Food and Rural  
Affairs Committee

---

**New Covent Garden  
Market: a follow-up:  
Government Reply to  
the Committee's  
Report**

---

**Second Special Report**

*Ordered by The House of Commons  
to be printed 10 December 2003*

**HC 123**  
Published on 16 December 2003  
by authority of the House of Commons  
London: The Stationery Office Limited  
£0.00

## The Environment, Food and Rural Affairs Committee

The Environment, Food and Rural Affairs Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department for Environment, Food and Rural Affairs and its associated bodies.

### Current membership

Mr Michael Jack (*Conservative, Fylde*) (Chairman)  
Ms Candy Atherton (*Labour, Falmouth and Camborne*)  
Mr Colin Breed (*Liberal Democrat, South East Cornwall*)  
David Burnside (*Ulster Unionist, South Antrim*)  
Mr David Curry (*Conservative, Skipton and Ripon*)  
Mr David Drew (*Labour, Stroud*)  
Patrick Hall (*Labour, Bedford*)  
Mr Mark Lazarowicz (*Labour/Co-op, Edinburgh North and Leith*)  
Mr David Lepper (*Labour, Brighton Pavilion*)  
Mr Austin Mitchell (*Labour, Great Grimsby*)  
Diana Organ (*Labour, Forest of Dean*)  
Joan Ruddock (*Labour, Lewisham Deptford*)  
Mrs Gillian Shephard (*Conservative, South West Norfolk*)  
Alan Simpson (*Labour, Nottingham South*)  
David Taylor (*Labour, North West Leicestershire*)  
Paddy Tipping (*Labour, Sherwood*)  
Mr Bill Wiggin (*Conservative, Leominster*)

### Powers

The Committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No. 152. These are available on the Internet via [www.parliament.uk](http://www.parliament.uk).

### Publications

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at

[www.parliament.uk/parliamentary\\_committees/environment\\_food\\_and\\_rural\\_affairs.cfm](http://www.parliament.uk/parliamentary_committees/environment_food_and_rural_affairs.cfm).

### Committee staff

The current staff of the Committee are Gavin Devine (Clerk), Fiona McLean (Second Clerk), Dr Kate Trumper and Jonathan Little (Committee Specialists), Mark Oxborough and Louise Combs (Committee Assistants), Anne Woolhouse (Secretary) and Rebecca Flynn (Intern).

### Contacts

All correspondence should be addressed to the Clerk of the Environment, Food and Rural Affairs Committee, House of Commons, 7 Millbank, London SW1P 3JA. The telephone number for general enquiries is 020 7219 3262; the Committee's e-mail address is: [efracom@parliament.uk](mailto:efracom@parliament.uk).

# SECOND SPECIAL REPORT

The Environment, Food and Rural Affairs Committee reported to the House on *New Covent Garden Market: a follow-up* in its Fifteenth Report of Session 2002–03, published on 9 October 2003 as HC 901. The Government's Reply to the Report was received on 9 December 2003.

## Government response

---

### Introduction

1. The Government welcomes the decision of the Committee to follow up the work of the Agriculture Committee in 2001 and examine developments in the light of the Saphir report.
2. The Government's response to the Saphir report was published on 20 June. As the response makes clear, Defra is happy to work with others to take forward common interests on a common strategy for all the London markets. However, in the absence of agreement between the market owners on a way forward the Department's first responsibility is for the Covent Garden Market Authority, which Defra sponsors. We agree with the Committee that it is important to develop clear plans for the future of New Covent Garden Market and to resolve uncertainties which have affected the market for too long.
3. But the future of the market is a complex issue. It needs flexibility to change in line with the needs of its users and the Authority is looking for large sums of money to fund repairs and improvements. Investment of this kind must be properly justified by the future returns from the activities which it is provided to support. And replacing the Authority with a managing organisation more suited to the future envisaged in the Saphir report requires careful preparation.
4. This response takes the Committees conclusions and recommendations (in bold type below) and addresses each of them in order.

### Recommendation 1

**It is clear that the original reasons for Government involvement in Covent Garden Market have long ceased to be relevant. We believe that it is no longer appropriate for the Government to be involved in the ownership and management of a wholesale food market.**

5. The Government agrees with this conclusion, and we are exploring options to divest ourselves of involvement in the Market. However, we should make it clear that the Government does not own or manage New Covent Garden Market. The assets of the Market are vested in the Covent Garden Market Authority. The Government's role is, in the main, to appoint the Authority Chairman and Members and ensure that the Authority complies with the provisions of the Covent Garden Market Acts.

### **Recommendation 2**

**We welcome the decision of the Government and the Corporation of London to commission a review of London Markets in line with the recommendation made by the Agriculture Committee in 2001. We also welcome Mr Saphir's Report and the clear conclusion that it draws on the way that a secure future for London's wholesale markets can be achieved.**

6. The Government also welcomed the clear conclusions and recommendations of the Saphir Report and their acceptance by the Authority. We were disappointed by the Corporation's rejection of the main recommendations but we are continuing to work towards a solution for the future of New Covent Garden Market.

### **Recommendation 3**

**We agree that London's wholesale markets should not be allowed to drift into decline. We suggest that there is a significant risk of this happening as a result of the failure on the part of the Corporation of London and the Covent Garden Market Authority to reach an agreement over the future of New Covent Garden Market. We are also disappointed that, despite the fact that the Saphir review has been published and recommends a coherent way forward, stallholders and employees at London's wholesale markets continue to face an apparently indefinite period of uncertainty.**

7. The Government agrees that London's wholesale markets should not be allowed to drift into decline. As we said in the Written Ministerial Statement of 20 June 2003, it is for the market owners to plan for the future of each market in consultation with the relevant local authorities, the Greater London Authority, the London Development Agency and other stakeholders. We have stated our willingness to play our part in this process and are working towards resolution of the future of New Covent Garden Market.

### **Recommendation 4**

**We recognise, as Mr Saphir suggested in his evidence, that "this is a multi-dimensional problem". We are therefore concerned that there is a lack of strategic 'grip' of the complex issues surrounding the future of London wholesale markets. We share the Greater London Authority's concern that in taking a view on the future of the market sites, account needs to be taken of other policy issues such as planning,**

transport and employment. There appears to be little prospect of this happening. The Saphir Report offered a way forward but, without Government intervention, there now appears to be little prospect of implementation of his main recommendations. The Corporation of London is exploring options for Billingsgate and Smithfield, and the Government is investigating solutions for the Nine Elms site with private developers. There appears to be no strategic oversight of the implications of these separate developments.

8. The Government has made its position clear. It is for the market owners to determine the scope of future investment and development in response to market stimuli. Proposals from market owners will necessarily be considered by planning authorities, including the Greater London Authority, in the normal course of events.

#### **Recommendation 5**

**We are very disappointed in the Government's response to the Saphir Report. As the relevant body with the most power and resources, we believe that the Government should now start to assume some leadership on this issue. It is in a strong position to bring all the relevant parties together and broker an agreement on the way forward. We are disappointed that it has failed to do this and is showing little intention of doing so. In 2001, the Agriculture Committee concluded that the future of New Covent Garden Market had been "left hanging". Unfortunately, two years on the future remains equally unclear. We urge the Government to set out its objectives for the future of New Covent Garden Market, how it plans to realise these objectives and the timescales within which each will be achieved. The recent history of New Covent Garden Market has been one of delay and prevarication; the consequences of continued delay threaten its existence.**

9. The Government does not consider that the role proposed for it by the Committee is appropriate for central Government. Defra's priority in this area is to develop its strategy for disengagement from New Covent Garden Market in keeping with the Committee's view that its continued involvement is no longer appropriate. We have however also taken the view that there should continue to be a wholesale market operating on the site. We are currently looking at possible opportunities for the future development of the Market site, both in the interests of the market itself and for additional uses. Once these investigations have been completed we will be in a position to announce the direction we see for the future of this Market.