

MINUTES of the meeting of Community Services Scrutiny Committee held at The Council Chamber, Brockington, 35 Hafod Road, Hereford on Monday, 8th January, 2007 at 7.00 p.m. and reconvened at The Council Chamber, Brockington, 35 Hafod Road, Hereford on 15th January 2007 at 12.30 p.m.

Present on 7th January 2007:

Councillor A.C.R. Chappell (Chairman)

Councillors Mrs. S.P.A. Daniels, J.H.R. Goodwin, J.G.S. Guthrie, J.W. Hope MBE, B. Hunt, J.G. Jarvis, D.C. Taylor, W.J.S. Thomas, W.J. Walling and J.B. Williams

Co-opted Members Mr A. Blackshaw (Tourism), Mrs J. Evans (National Farmers Union) and Mrs. E. Newman (Herefordshire Association of Local Council's)

Present on 13th January 2007:

Councillor A.C.R. Chappell (Chairman)

Councillors Mrs. S.P.A. Daniels, J.H.R. Goodwin, J.G.S. Guthrie, J.W. Hope MBE, B. Hunt, J.G. Jarvis, D.C. Taylor, W.J.S. Thomas, W.J. Walling and J.B. Williams

Co-opted Members Mr A. Blackshaw (Tourism) and Mrs. E. Newman (Herefordshire Association of Local Council's)

In attendance 7th January 2007:

Councillors: Mrs P.A. Andrews, Mrs E.M. Bew, D.J. Fleet, Mrs J.P. French, T.M. James, R.I. Matthews, J.C. Mayson (Cabinet Member – Rural Regeneration & Strategy), Ms. G.A. Powell, Mrs J.E. Pemberton, R.J. Phillips (Leader), Mrs S.J. Robertson, R.V. Stockton (Cabinet Member – Community Services), R.M. Wilson (Cabinet Member – Resources)

In attendance 15th January 2007:

Councillors: Mrs P.A. Andrews, Mrs W.U. Atfield, Mrs E.M. Bew, D.J. Fleet, T.M. James, Mrs M.D. Lloyd-Hayes, R.I. Matthews, J.C. Mayson (Cabinet Member – Rural Regeneration & Strategy), Ms. G.A. Powell, Mrs J.E. Pemberton, R.J. Phillips (Leader), Mrs S.J. Robertson, R.V. Stockton (Cabinet Member – Community Services), R.M. Wilson (Cabinet Member – Resources)

44. APOLOGIES FOR ABSENCE

Apologies were received from Councillors H. Bramer, R.B.A. Burke, M.R. Cunningham, P.G. Turpin, A.L. Williams and Mr G. Jones and Mr P. Thomas.

45. NAMED SUBSTITUTES

Committee Member	Named Substitute
Councillor H. Bramer	Councillor J.W. Hope MBE
Councillor R.B.A. Burke	Councillor J.H.R. Goodwin
Councillor M.R. Cunningham	Councillor S. Thomas
Councillor P.G. Turpin	Councillor J.B. Williams
Councillor A.L. Williams	Councillor W.J. Walling
Mr G. Jones	Mr A. Blackshaw
Mr P. Thomas	Mrs J. Evans

46. DECLARATIONS OF INTEREST

Councillors J.W. Hope, D.C. Taylor and J.B. Williams all declared personal interests on 7th January 2007.

Councillor Phillips declared a personal interest, as a Council appointed Director of the Edgar Street Grid Board, at the reconvened meeting on 15th January 2007.

47. SUGGESTIONS FROM MEMBERS OF THE PUBLIC ON ISSUES FOR FUTURE SCRUTINY

No suggestions were received from the members of the public present at the meeting.

48. CALL-IN OF CABINET DECISION ON THE HEREFORD LIVESTOCK MARKET RELOCATION

The Chairman opened the meeting by explaining that the meeting would take place in three parts. Firstly, the Committee would hear from and question a range of witnesses. Once all the evidence had been heard the Committee would adjourn and reconvene at 12.30 p.m. on Monday 15th January 2007 to consider the finances of the livestock market relocation, it was intended that the public and press would be excluded from this part of the meeting. After considering the financial aspects of the relocation the Committee would adjourn again and reconvene at 2.00 p.m. on Monday 15th January 2007 in public where it would review all the evidence heard and consider whether to make any recommendations to Cabinet.

The Chairman acknowledged a number of written statements and questions which had been received from Members of the Public. He explained that he anticipated the majority of the points raised in these submissions would be answered during the debate. A written response to all questions submitted would be sent after the meeting.

The Chairman reminded Members and witnesses that the principle of relocating the Market was not a topic for discussion as this had already been agreed by Council. The remit of the Call-in was:

- To seek confirmation that full and final consultation has taken place and that the public have had every opportunity to have their say.
- To ensure that every alternative site had been examined and that the chosen option is the best solution.
- To ensure that the site is economically viable for a market.
- To ensure that the site represents value for money for the Council.

Before moving to the first witness the Chairman asked the Legal Practice Manager to

explain the Market Charter.

The Legal Practice Manager explained that the City of Hereford was granted a Market by Queen Elizabeth I by Royal Charter in 1597. The Charter outlined the right of the people of Hereford to have a Market on Wednesday, Friday and Saturday each week within the boundaries of the City Walls.

The 1835 Municipal Corporations Act extended the area in which the Market could be located to the then Parliamentary boundaries of Hereford. The current Livestock Market is placed within this boundary.

This boundary was later confirmed by the 1882 Municipal Corporations Act.

The Market offered needs to be of a sufficient size and ready for anyone to buy and sell. If a market was not provided then that could be legally challenged by anyone having a right to use the Market, or indeed by the Auctioneers. There was a clear legal obligation to hold a Market. This obligation was reaffirmed by a legal precedent from Islington Markets Act of 1835, referred to and approved by the Mayor of Macclesfield's case of 1843.

The Hereford Markets Act 2003 subsequently extended the area in which the Livestock Market could be held to anywhere in the County.

The Butter Market and Farmers Market could also be moved anywhere within the County. The Act however provides that none of these Markets can be relocated without prior consultation with Market traders and other interested people.

The Council could let a third party operate a Market on its behalf.

The Chairman thanked the Legal Practice Manager for his summary of the Markets Act.

The Chairman moved to the first two witnesses:

Councillor J.C. Mayson, Cabinet Member for Rural Regeneration and Strategy, and R.J. Phillips, Leader of the Council.

Councillor Mayson explained that, whilst no site was perfect he considered that the chosen site, known as the Griffiths Land, was the right site. He reminded Members that it was not just the location of the livestock market that was at stake but also the whole future of the Edgar Street Grid development. If the market was not relocated the development could not proceed.

He expressed his thanks to the late Councillor G.V. Hyde who had completed much valuable work on the relocation and the previous leader of the Council, Councillor T.M. James whose administration had initially instigated the relocation.

Following the identification of a preferred site at Stretton Sugwas in 2005 Councillor Mayson clarified that upon inheriting the livestock market relocation from Councillor Hyde he had decided to reopen the investigation into choosing the site for the new market. For this investigation six suitable sites were selected and a series of meetings in the areas where the chosen sites were took place.

During his consideration of the six sites three principal points had been a recurring theme to which he had held particular regard in considering what was the best site:

- Residents

- Traffic
- Long term value of site

He described the extent of the consultation that he had undertaken. This had taken 15 months to complete and included every form of communication possible. He had attended the market every week for six months to assess conditions, visited 7 markets throughout the Country and he had even called in on person to those individuals who lived closest to the now chosen site before the final decision was taken.

In response to a question Councillor Mayson provided a brief synopsis on each of the six sites that had been considered for the relocated market:

Site 1 – Barnsfield Site

- Rent only for part of the land
- Land available to buy was initially available at a high price but this was later reduced but still 25% more expensive than the Griffiths Site.
- Access required over Duchy of Cornwall Land
- Within Helicopter flight path of nearby military base
- Good traffic access

Site 2 – Quarry Site

- Available for rent only
- Recommended against by the Unitary Development Plan (UDP) Inspector
- Large number of protected animal species present on land
- Poor traffic access
- Within helicopter flight path of nearby military base

Site 3 – Morgan Jones Land

- To rent only
- No long term value in site

Site 4 – School Site – Duchy of Cornwall Land

- Site chosen in September 2005
- Can only buy enough land to build a livestock market any additional land would need to be rented
- Duchy input on design
- Close to residents and a primary school
- The best traffic access

Site 5 – Griffiths Land

- Available to buy
- Large site
- Easy to develop and landscape
- Good traffic access
- Cheapest

Site 6 – Hospital Farm

- Poor traffic access
- Close to 150 houses
- Sloping site
- Covenant on land requiring no nuisance from noise for nearby residents at St. Mary's
- In Council ownership – preference of previous Council Administration

The Property Services Manager expanded upon the Covenant in place on the Hospital Farm site. Members were informed that when the land was sold by the Regional Health Authority in 1948 a Covenant was placed on the land which required that any future development taking place on the site could not disturb the residents in the St. Mary's area. This was now an area with approximately 150 residents.

The Legal Practice Manager explained that in order to get the Covenant lifted it would be necessary to get all of the current residents in the St. Mary's area to agree to it being lifted by way of individual negotiation. Any residents in disagreement could be taken to the Land Tribunal in London who would adjudicate any dispute. Presuming that the dispute was resolved in the Councils favour the entire process could take two years to complete.

The Project Manager, Amey Engineers, clarified that access to the Hospital Farm site was hampered by sub-standard visibility on the approach to the proposed site entrance. Major remedial works would be required to take a large cut out of the existing highway close to the current junction. Safety concerns would be further exacerbated by the large number of vehicles arriving and leaving the site which would create queues on the highway.

It was asked why it was being proposed to acquire 48 acres at the Griffiths site. Councillor Mayson explained that more land than was required for a market was being purchased for potential future use. He stated that the new market was being built with a planned life of 80 years and the future was unknown so he felt that it was better to buy a larger site rather than be constrained in the future. The larger site was also required so that ancillary businesses, sufficient car parking and landscaping could be provided. Whilst no direct interest had been shown by businesses asking to relocate to the new market site canvassing had been completed.

He stated that part of the site was subject to flooding but the market would not be located in these areas. There was potential to use the market site to alleviate flooding that currently takes place on the Merton Meadow car park in Hereford which would form part of the Edgar Street Grid.

Councillor Phillips was asked about the effect of the proposed purchase on the Council's budget. He informed the Committee that the relocation of the market would have implications on the Councils budget. However, he reminded Members that if the market was not relocated from its current site then the plans currently in place for the Edgar Street Grid would be unachievable. The current market occupied the prime site in the Grid and was in local authority ownership. The sale of the current market site would pay for the building of a new market and kick start the Edgar Street Grid development both financially and in reality as work could begin on expanding Hereford City Centre. It was important to seize this important opportunity to improve Hereford socially and economically as well reinforce its status as a sub regional focal point.

Councillor Phillips continued by stating that relocating the Market also recognised the role which agriculture plays in the County's life and would provide improved facilities.

Councillor Mayson was asked about the numbers of livestock being traded at the market. He reported that numbers had not yet reached the levels in 2001, before the outbreak of Foot and Mouth disease. However, numbers were steady and rising. On the other hand the retail market appeared to be in serious decline. This decline was not likely to be reversed by the relocation to an out of town site.

Councillor Phillips added that a link between the new market and city could be developed through bus services and park and ride facilities. This would maintain the link between trade at the market and in the City.

In response to a question about the possibility of relocating the market to the south or east of Hereford the Committee was informed that the UDP specifically stated that a new market shall be located in the North West Quadrant just outside of Hereford City near the Roman Road.

Councillor Mayson's efforts to consult were acknowledged. He was asked whether there was anything he would have done differently. He explained that he was satisfied with the consultation that had taken place. He emphasised that the consultation had been genuine and he had listened to anyone who had a point of view. Many of the large public meetings arranged to discuss the relocation had been Chaired by members of the public.

Councillor Phillips paid tribute to Councillor Mayson for the dignified and respectful way in which he completed the consultation work and the integrity that he had shown. Other Members also paid tribute to Councillor Mayson's work.

In reply to a question the Legal Practice Manager informed the Committee that if the market was closed the Council had been informed that the decision would be challenged by market traders and auctioneers.

A question was asked about the potential pollution of the Yazor Gravels aquifer in the area in which it was proposed to relocate the market. The Committee was informed that it was planned to lay a series of membranes beneath the entire new site. Petrol interceptors would also be installed to prevent any pollution entering the water system.

Councillor Mayson emphasised that both Bulmer's and Sun Valley Foods had been approached about the issue and had not registered any concerns.

He added that the Environment Agency were aware of the issue and would need to be satisfied that the water supply could not be polluted. They would also have a future role in monitoring the supply and ensuring that it was not being adversely polluted.

A question was asked about the design of the new market. The Committee learnt that a concept for the new market was being developed. It was planned that the new market would be built from recycled materials, be well landscaped and be carbon neutral. No detailed plans had yet been produced and it was asked that local residents be consulted on the designs before a planning application was made.

The Chairman thanked Councillor Mayson and Councillor Phillips for their evidence and moved onto the second group of the Committee's witnesses.

Councillor T.M. James, Councillor Mrs. P.A. Andrews and Councillor R.I. Matthews

Councillor James by explaining some of the historical background to the relocation. He stated that the issue had first arisen through an independent consultants report to Hereford City Council. It was generally accepted that the market was not viable in its current location and it was later agreed by Council that the market should be relocated. 43 sites were chosen and reduced down by planning officers to two, namely, Hospital Farm, Burghill and a site near to Beeches Business Park. After the 2003 election the search for a new site to the market begun resulting in a site near Stretton Sugwas Primary School being selected before Councillor Mayson began his site selection and consultation.

He explained that he was concerned about the location of the proposed site, cost of the new land and the low rate of return from the site.

He stated that the current market was only 8 acres in size yet it was proposed to buy a 48 acre site. He hypothesised that a large site was being bought to accommodate landscaping and to get a lower price per acre. However, he still thought that too much land was being bought at too high a price. The Council had to be certain that it was a cost effective way to proceed. He indicated that he intended to pursue this point further when the Committee considered the financial aspects of the relocation. He feared the Council taxpayer footing a bill of £6-10 million and, although he had long believed in a market in principle he had some concerns about the possibility of the market becoming unviable at some point in the future noting what was happening with other relocated markets, for example, Brecon. Another Member noted the success of the relocated market at Shrewsbury.

He credited Councillor Mayson for the significant amount of consultation that had gone into choosing the site. However, he regretted the time it had taken to identify a site.

It had taken nearly four years to choose this site following the decision not to use either the Hospital Farm or Beeches Park sites which had been previously identified.

Councillor Mrs Andrews informed the Committee that she feared that circumstances had changed during the time the Council had been seeking to relocate the market and questioned whether the need for the market remained. The market had declined greatly in the last 10 years and to build a new market with a life of 80 years seemed difficult to justify in this context.

She added that as the site was in open countryside then she considered that effective landscaping would be difficult. She also thought that if the Griffiths site was developed then it would increase pressure to use the surrounding land for housing which not be desirable.

The meeting adjourned at 7.30 p.m. and reconvened at 7.37 p.m.

Councillor Matthews thanked Councillor Mayson for the amount of work that he had put into choosing a site since he had been given the responsibility.

He called for Counsel's opinion on the Royal Charter to be made public as many people were sceptical of the advice on the need for a market. He felt that, at the very least, it would be a good public relations exercise to make the advice public.

He felt that there was a question mark over the long term viability of the market as evidenced by the closure of many markets including the one at Gloucester. He reiterated the earlier point that Brecon market was experiencing difficulties. If the new market did close he wanted to know what plans had been made for the site and

the rest of the land which the Council was buying.

He confirmed that the chosen site would have the least impact on the local area and was the most acceptable site to the local parish councils. He called for consultation with local residents on the design plans for the new market at the earliest stage and asked to recommend that there should be further road improvements along the A480 at Stretton Sugwas to its junction with the A438 Brecon Road. He predicted traffic problems on Whitecross Road, Three Elms Road, Roman Road and the Stretton Sugwas Road as and when the new market became operational.

The Legal Practice Manager explained to the meeting that whilst the opinion of Counsel was not available in the public domain the Council's Legal opinion, which took account of the opinion provided by Counsel, was. The Council's Legal opinion was that it is necessary for the Council to provide a market and that the Hereford Markets Act 2003 had been necessary to enable the new market to be constructed outside of the City boundaries.

Councillor James added that he had seen the opinion of Counsel and was happy that the Legal Practice Manager's opinion on the issue was accurate. He stated that the current chosen site was within the City boundaries so the 2003 Act was effectively superfluous but the flexibility that it provided was still desirable.

Councillor Hope stated that trade at some markets was increasing. He quoted from a recent edition of 'Farmers Weekly' that there had been a 7,000 increase in the amount of cattle which had passed through Ludlow market. There had also been a significant increase in the number of sheep which had passed through the market as well. In addition to this a private company was set to build a new livestock market in the South West of England.

Councillor Chappell thanked the Councillors for their evidence and moved to the third group of the Committee's witnesses.

Mr Owen Whittall, Farmer; Mr Andrew Lloyd, Farmer; Mr James Verdin, Country Landowners and Business Association; and Mr R. Grainger, Brightwells Auctioneers

Mr Grainger began by explaining that his organisation had advocated to the Council that the North West of Hereford was the best location for a new market. The North West quadrant was the best place to locate the market as this location would be the easiest to access for those people who used it. Investing in the right location would be an effective use of money as a businessman he had no interest in a site which could not be viable. He believed that a market in the North West quadrant would be profitable.

Currently, during the peak season, between 7-9,000 animals could be expected to pass through the market. With sales taking place for over 1000 vendors being sold to over 1400 purchasers. The size of sales ranged from 1,000+ animals to less than 10. He added that there were far fewer sales of fat cattle at the current time due to the influence of supermarkets.

The preferred site was the easiest to build on, capable of being screened and caused the least disruption to local residents. He was unable to comment on build costs but added that he had no interest in wasting the Council tax payer's money.

He felt that the new market did not need a site of 48 acres. A market plus ancillary features only needed 20-25 acres of land with the market itself occupying 12-15 of those acres.

He informed the Committee that Hereford Market Auctioneers, of which he was Chairman, had contributed £4m to Herefordshire Council over the last 23 years in fees for using the market. He clarified that Hereford Market Auctioneers was in no way subsidised by Herefordshire Council.

He did state that the market was being relocated at a time that could not be described as opportune. He explained that incidences of BSE, TB, Foot and Mouth and Supermarket buying power meant that this was one of the worst times for auctioneers in the last 100 years.

However he was confident that this was the low point and that things would get better. With the current emphasis on food miles and the adverse environmental impact caused by transporting food products from other countries he predicted that this concern would see the increase in popularity of home produced products and thus a revival in local farming and markets.

Mr Verdin of the Country Landowners and Business Association (CLBA) informed the Committee that he CLBA had over 800 Members in the County including the owners of a number of the proposed sites for the new market.

Hereford Market was in the top five markets in the Country and certainly the best market in the County. It was the principle market where sales took place farmer to farmer.

The markets in Ross on Wye and Kington were located on valuable sites which could be sold in the future. If this was to happen the significance of Hereford Market would increase further. Farmers needed a market to ascertain a value for their stock. When all markets were closed during the foot and mouth epidemic the price of livestock had fallen dramatically.

If the market in Hereford was to close farmers would probably change to different methods of production which could have an adverse affect on County's landscape as 25% of the County was currently used as pasture.

The 48 acre site was probably a good investment for the future by the Council. Whilst that amount of land was not required at the current time it would be wise to plan for future growth. This could be illustrated by a market relocation in Ashford, Kent in the 1980's. That market had relocated to a site much larger than it had previously occupied. It had been considered a white elephant by many local residents at the time. However, it was now a hugely successful market in need of more space.

In closing Mr Verdin stated that he was unable to state a preference for any specific site due to more than one of the sites being owned by CLBA Members, however, he did state that the CLBA were happy with the North West quadrant as the location for the new market.

Mr Lloyd informed the Committee that he was a cattle and sheep farmer from Clyro and that he sold stock through Hereford Market.

He reported that over 235,000 animals were sold through Hereford Market last year to over 200 vendors. This illustrated how important the market was to farmers. They needed the market to put a value on their stock. It was the best way to sell livestock due to the need to visually assess animals.

He added that when he came to market on Hereford he would visit other farming

related stores in the area to complete his other business. If these businesses were to relocate to the new market as part of the ancillary features and became a 'one stop shop' for farmers then the chances of the new market succeeding increased. Mr Lloyd informed the meeting that he dealt with 139 separate business and that over 100 of these were within a 20 mile radius of his farm.

In response to a question on the future of farming Mr Lloyd felt that in 50 years time there would probably be less farmers but the same numbers of livestock.

He felt that the Griffiths site was the best location for the new market as it had good road access, was easy to screen and caused the least disruption to local residents.

Mr Whittall informed the Committee that he was a regular user of the market. He stated that he could use other smaller markets but chooses to come to Hereford due to the high levels of livestock which pass through it. He had seen other smaller markets in the county close, for example Ledbury, and commented that trade from these markets more often than not had moved to Hereford.

He commented that the vast majority of stock auctioned at Hereford market came from the west. If markets at Hay on Wye or Kington were to close then the significance of Hereford market would increase.

The picturesque scenes which attracted tourists to the County were created by grazing livestock. The world famous Hereford Cattle Society makes its pedigree sales at Hereford market. These were things which the County needed to retain. If farmers stopped keeping livestock it was possible that they could move to more intensive and less picturesque methods of earning a living.

He explained that livestock could be sold direct to the abattoirs but a market was needed to set the price of each animal otherwise prices, and the attraction of keeping stock, would reduce. The pig industry had been decimated by selling directly to abattoirs.

He added that access to the current market was difficult and time consuming and likened the area to Piccadilly Circus on market day. A relocated market would hopefully reduce traffic problems as there would be no need to enter the City and thus make it quicker and easier to move animals.

He thanked the Council for their persistence in working towards relocating the market and hoped that they would continue to work with Hereford Market Auctioneers to complete the project and that fair tolls would be introduced upon its completion. He was excited by the prospect of the Edgar Street Grid development.

He felt that the proposed site was the best in terms of access and causing the least disruption for local residents.

He finished by saying that a new market was needed to ensure the future of the countryside.

Dr. David Nicholson, Forward Planning Manager at Herefordshire Council was asked for his comments about the relocation of the market and the UDP.

Dr. Nicholson informed Members that there was a detailed policy about the relocation of the market in the UDP which enshrined many features including identifying the North West quadrant as the location of the market and other necessary elements such as design, environmental matters and landscaping.

In response to earlier concerns the Property Services Manager assured the Committee that pre-planning consultation would take place on the designs of the new livestock market with local residents.

The Chairman thanked all of the witnesses for attending the meeting and reminded everyone that the Committee would reconvene on Monday 15th January 2007 in the Council Chamber at Brockington. It was intended that this would first be in confidential session at 12.30 p.m. and then later in public at 2.00 p.m.

The meeting adjourned at 9.25 p.m.

The meeting reconvened at 12.30 p.m. on Monday 15th January 2007 in the Council Chamber at Brockington, 35 Hafod Road, Hereford.

RESOLVED: That under Section 100(A) (4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in Schedule 12(A) of the Act regarding information relating to the financial or business affairs of any particular person (including the authority holding the information).

(Whilst Members of the Public and the Press were excluded from this part of the meeting the following is a full minute of the discussion which took place.)

The Chairman opened the meeting and asked the Cabinet Member (Rural Regeneration and Strategy) to explain why the Griffiths Site was the best location for the relocated livestock market.

Councillor Mayson informed the Committee that the Griffiths Site was the cheapest per acre of the two sites which the Council was able to buy. The remaining sites involved long term leases with the landowners which, as he had explained earlier, he had considered unacceptable.

He explained that the driving force behind the market relocation was the Edgar Street Grid Project. If the livestock market was to relocate it would free a large piece of real estate in the heart of Grid and provide an injection of funding once the new market had been paid for. One problem with the Edgar Street Grid site was that a part of what was now the Merton meadow car park was liable to flooding by the Yazor Brook. This had an obvious knock on effect on the value of and the use of that portion of land. The last time it had flooded was in February 2004.

One advantage of the Griffiths Land was that the Yazor Brook ran through the site. This left the potential for a balancing pond of approximately 4-10 acres to be created which would provide flood alleviation to the Edgar Street Grid site thus increasing the value and number of uses for the at risk areas.

He emphasised that this was only a potential scheme at the current time. The Property Services Manager was currently completing a feasibility study on the idea of a balancing pond on the Griffiths Site. It was only possible to achieve flood relief on this and the Barnsfield sites. Flood relief of the Edgar Street Grid was not possible at any of the other four sites being considered.

The Property Services Manager explained that Edgar Street Grid Limited were funding the Environment Agency to complete a modelling exercise on the possibility of incorporating a balancing pond on a section of the Griffiths site to provide flood relief from the Yazor Brook to the Edgar Street Grid. If the balancing pond was likely to be a success then this would increase the value of the land on the Grid and

neighbouring land to the Griffiths site. This was an issue that would be raised with the Church Commissioners, the other landowner involved in the negotiations, as their neighbouring land assets would increase in value if they were protected from flooding.

Councillor Mayson stated that as the Church Commissioners were to benefit from the balancing pond he expected them to contribute towards it.

In reply to a question Councillor Mayson explained that there was a covenant on the Griffiths land which restricted its use for agricultural purposes only and that no buildings were to be constructed on it. Negotiations were currently under way with the Church Commissioners, who were the landowners, to remove this covenant.

A Member commented that it was a traditional Church Commissioners covenant which he anticipated could be successfully rescinded.

In relation to the Hospital Farm site Councillor Mayson accepted that the Council would not have to buy the site there was a potential opportunity lost to sell the land for housing development in 20-25 years time. The Property Services Manager estimated that the site was worth between £16-18m to a housing developer at present.

The Forward Planning Manager added that it was difficult to assess likely areas for future housing development. All land near to Hereford was under pressure for development. The Hospital Farm site was closer to the periphery of Hereford than the Griffiths site which was set in open countryside separate from any housing. In 20 years time the UDP would have been revised and whilst all areas adjacent to Hereford would need to be assessed there was the possibility that land at Whitecross and Bullinghope could be used for housing development first.

In response to a question the Property Services Manager explained that only a market and buildings necessary for its ancillary features would be able to be built on the new site.

Councillor Phillips stated that there were two government agencies who would have a big part to play in the ESG development; the Environment Agency and the Highways Agency.

If a balancing pond was inserted on the same site as the relocated market then it would lift the value of the at risk land on the ESG and allow more types of development to take place on it.

The Griffiths site had the best road access and affected the fewest residents. Moreover, if the market was not to be relocated the current site would need major refurbishment at a cost to the Council. If it were relocated then the cost of the new market would be met in whole by the sale of its current site with money to spare to invest in the ESG.

In response to those Members who felt that the Council should use a site within its ownership, in particular the Hospital Farm site, he explained that the site needed levelling. This would add extra cost to the relocation. In addition to this he felt it made sense that if the land did need to be developed then it should be for residential purposes.

In reply to a question from the Chairman, Councillor Mayson indicated that there were two dwellings located on the Hospital Farm site. One was vacant and in the process of being sold and another that was occupied.

A relocated market was important to Hereford as it would allow significant and important development work to take place on the ESG as well as support the future of agriculture in the County.

He explained that if the market relocation was not resolved soon then there was a possibility that £20m from AWM could be lost. Currently, the timing of the relocation sat perfectly with all aspects of the ESG development plan.

In reply to a question Councillor Mayson confirmed that the restrictions on what could be built on the Griffiths land, the possibility of a balancing pond being constructed and the Church Commissioners covenant were all issues which were in the public domain.

A Member stated that they were not aware of animal tolls being introduced. Councillor Mayson explained that this policy had not been introduced but that he had discussed the idea with local farmers during his weekly visits to the market. By introducing a small charge for each animal sold it could be possible to create an additional £20,000 a year of revenue.

Another Member suggested that instead of introducing a toll per animal the rent for HMA should be increased to provide a similar return. It was also suggested that the rent could be increased on the grounds of the new facilities that were being provided. Councillor Mayson noted these proposals. The Property Services Manager commented that HMA currently paid 0.5% of their turnover as rent to the Council. This was considered to be the going rate in the sector.

Following a question Councillor Mayson explained that HMA had a 25-year agreement to operate Hereford Livestock Market regardless of its location. It had been necessary for the previous administration to offer this deal in order to secure the passage of the Hereford Markets Act through Parliament. He added that HMA could not afford to pay for the relocation. If HMA were to cease trading the Council would simply seek a new operator for the market. It was believed that there would be plenty of organisations ready to operate the market if this should happen. It was also possible for the Council to operate the market itself. The Council had had joint tenants at the market before but they had merged to create HMA. It was up to the market tenant how often markets took place.

Following a suggestion from a Member, Councillor Mayson agreed to investigate ensuring that a full repairing and insuring lease was held by HMA.

RESOLVED: That Members of the Public and Press be re-admitted to the meeting.

The meeting adjourned at 1.51 p.m. and reconvened at 2.00 p.m.

(During the course of the item Councillor Phillips declared a personal interest as a Council appointed member on the ESG Limited Board.)

The Chairman reopened the meeting explaining that it was time for the Committee to review all of the evidence that it had heard and decide whether it was happy with the choice of the Griffiths Site and what recommendations, if any, it wished to make to Cabinet.

The Chairman invited Councillor Mrs S.J. Robertson, Ward Member for Burghill, Holmer and Lyde to present her views to the Committee.

Councillor Mrs S.J. Robertson began by stating that, along with Councillor R.I. Matthews, she had attended all of the consultation meetings organised by Councillor Mayson. She felt that these meetings had proved the unsuitability of the Hospital Farm site. She supported the Griffiths Site so long as local residents, and in particular those residing in Tow Tree Lane, were able to input into the planning process. She also proposed that the Council provide a token market on the Griffiths Site so that its legal obligation could be fulfilled but at a smaller cost to mitigate the Council's financial risk in view of the competition from a new market being constructed at Raglan near Abergavenny.

Councillor Mayson replied that in order to fulfil its legal obligation it was necessary for the Council to provide a facility that was fit for purpose. The new market needed to be capable of processing 250,000 animals per annum plus meet all the necessary legal regulations. If these requirements were not fulfilled then the Council would not be complying with its legal obligation to provide a market and would be at serious risk of challenge.

In response to Councillor Mrs Robertson's concern about the new market at Raglan he stated that he was watching the development closely and had been in discussions with the Leader of Shropshire Council about it. He felt that the catchment area for the market at Raglan was around Monmouth and into Glamorgan whereas trade to Hereford market tended to arrive from Mid-Wales so he did not think the two markets would be competing for the same trade.

The Chairman invited Councillor D.J. Fleet, Central Ward Member and Leader of Hereford City Council, to present his views to the Committee.

Councillor Fleet stated that through a combination of new laws, regulations, health and safety requirements and the ESG project the market was finished in Hereford City Centre.

He stated that he was concerned about the finances of the relocation and felt the idea of a balancing pond on the new site would not work. He felt that the reason the Yazor Brook flooded on the Merton Meadow car park was because of water flowing up stream from the River Wye rather than excess water flowing down on its way to the Wye.

Councillor Phillips responded by explaining that the market was currently very busy and that this level of activity was expected to continue. If the market relocated then an opportunity for the City would be created and significant funds from AWM released.

In reply to the query about the flow of flood water in the Yazor Brook the Property Services Manager commented that the Environment Agency were examining the flows of the Brook as part of their modelling exercise. This exercise was costing £45,000.

Councillor Mrs Lloyd-Hayes supported the relocation of the market and hoped that it would become a centre of excellence for organic food. She felt that as more people became vegetarians the number of farmers and livestock would decline. Therefore she felt that less money should be spent on the site in anticipation of this decline.

Councillor Mayson responded by stating that meat consumption was rising. Farmers preferred to buy animals in person. Whilst it was possible to buy fat cattle over the internet this was not a suitable way of trading other types of livestock.

In response to a question Councillor Phillips stressed that no housing would be built

on the Griffiths site. Councillor Mayson reiterated this point by explaining that only a market plus ancillary features would be built on the Griffiths site. The Forward Planning Manager further reinforced this by informing the Committee that the market and the necessary ancillary features were included in the UDP as an exception to planning policy. Therefore only those features enshrined in the UDP could be constructed on the chosen site.

Councillor Matthews stated that the report presented to the Committee by My Byatt contained every issue he had ever raised about the market relocation. He welcomed the fact that Cabinet had revised its decision to relocate the market to a site near Stretton Sugwas school. He continued by saying that the Griffiths Site was the preferred site of the local parish councils. He asked that all road improvements be carried out on all access routes to the proposed site.

Mr Blackshaw informed Members that he believed this was a win-win situation for the County. A relocated market would create an agricultural asset for the County and allow Hereford City to be redeveloped. He asked if the possibility of funding from DEFRA or the European Union had been considered.

Councillor Phillips replied by stating that talks had only taken place with AWM over the ESG development. He believed that there was no European Union money available for such projects, AWM was already providing a large sum of money for the ESG development so it was not thought likely that they would provide additional sums to relocate the market as well.

Mrs Newman said that local parish councils preferred the Griffiths site. It was now important that the Parishes were involved in pre-planning consultation and that defined HGC routes and adequate signage were put in place before the new site opened. She also expressed concern regarding traffic accessing the new site from the bridge in the East.

Councillor T.M. James explained that he supported having a market in Hereford and was more comfortable with the choice of the Griffiths site after the evidence which had been heard by the Committee, including the prospect of a balancing pond on the new site. However, he still had some concerns. He was worried about the cost of the project, particularly with the reputation Local Authorities had for under estimating costs. He was also afraid that the Environment Agency would find problems in the proposed relocation and associated schemes.

In response to a question the Property Services Manager informed the meeting that it was not intended to relocate the retail market alongside the livestock market. He stated that the retail market provided little income.

Councillor S. Thomas felt that the Griffiths site was the best choice for the relocated market. He accepted that 48 acres was required to accommodate the market, ancillary features and balancing pond.

Councillor Jarvis revisited the reasons the Committee used to call in the decision. He felt that full and final consultation had taken place; that every site had been examined and the best location selected; the site was economically viable in terms of the Council's overall balance sheet; and that the site represented value for money.

The Committee unanimously agreed that the Griffiths site was the best site for the new market. In view of the evidence heard a series of additional recommendations were made as outlined below.

Councillor Phillips confirmed that the Committee's recommendations would be

considered shortly by Cabinet.

The Chairman thanked witnesses, Members and Officers for attending and contributing at the meeting. He reminded members of the public that meetings of Cabinet were held in public if they wished to hear Cabinet's considerations of the Scrutiny Committee's recommendations. He also reminded the Cabinet Members that they would be held to account for any further decisions they made regarding the livestock market relocation.

RESOLVED:

That:

- (a) The Griffiths Site (Site 5) be considered the best site of the final six sites considered as the new location for Hereford Livestock Market;**
- (b) Road improvements be carried out at Stretton Sugwas on roads leading to the A438 Brecon Road;**
- (a) All potential highway problems be assessed and remedied before the new market opens including designated HGV routes and adequate signage;**
- (b) The possibility of increasing the rent paid by Hereford Market Auctioneers should be investigated;**
- (c) Local residents and Members should be involved in pre-planning consultation.**
- (d) High quality buildings be constructed on the new site;**
- (e) Appropriate landscaping of the new market site take place;**
and;
- (f) Appropriate transport links from the new site to Hereford City Centre be put in place.**

The meeting ended at 3.27 p.m.

CHAIRMAN