

REPORT TO THE EAST MIDLANDS DEVELOPMENT AGENCY

on

**Rural Development
Programme
for England [RDPE]**

**Project Funding Applications
from**

**Vale View Equestrian Centre
Melton Mowbray**

&

**Elms Farm Equestrian Centre
Caythorpe Heath**

by



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1. EXECUTIVE SUMMARY

1.1. Both Vale View and Elms Farm are established farms who have sought to diversify into and profit from the equine sector.

1.2. They are competitors in the following segmented equine markets:

Unaffiliated dressage

Unaffiliated show jumping

Trailblazers competitions

Affiliated British Dressage [BD] competitions

Affiliated British Show Jumping Association [BSJA] competitions

Clinics with both visiting and resident trainers

1.3. Vale View is the more established centre in terms of facilities and clients and, therefore, a strong competitor for Elms Farm in the latter's bid to expand.

1.4. Vale View has a regional profile but, arguably, not a national profile for able bodied competitors. Its para profile might, in some quarters, be viewed as national.

1.5. Currently Elms Farm has only a local profile and faces strong competition from Sheepgate, Vale View and Arena UK to establish a regional profile.

1.6. Much of Vale View's recent application was based upon holding an international two star para dressage competition which it did not.

1.7. Vale View is not unique in a lot of what it offers.

1.8. If Elms Farm was to develop as envisaged in its application then it would take some business from Vale View. This would be dependent upon a number of variables.

1.9. Market conditions for expansion are currently difficult and likely to become more so. Already there is clear evidence of market contraction with British Eventing, sales of competition horses and farriery.

1.10. Considerable public sector funding has gone into Vale View, a multi faceted, private sector business, which may well have been able to expand at a slower pace, funded by its own business growth.

1.11. The Elms Farm proposal places significant emphasis upon increased rental from the tenant which, if its forecasts are optimistic, could be unsustainable. Rental increases might, therefore be better linked formulaically to increases in net profit.

1.12. The potential for full-time job creation in the expansion of both businesses is limited.

1.13. It is not necessary to have extensive facilities to stage national events. Two prime examples are the National Riding Club Championships at Lincoln show ground in September and the British Show Pony Society Summer championships at the East of England showground near Peterborough. No indoor arenas are used at either championship and Vale View would not have the stabling or parking capacity to cope with so many horses, riders, spectators, vehicles and caravans.

1.14. The Vale View application places notable emphasis on its para dressage work and facilities. This is a diminutive market sector compared to the able bodied marketplace with only 175 para riders registered with British Dressage. However para dressage has untapped private sector corporate and individual sponsorship appeal that could have and could be sought as well as public sector funding.

2. VALE VIEW APPLICATION

Factual Accuracy for number of events

2.1. From Sept.1 2010 to March 27 2011 Vale View is offering currently approximately 52 competitions or an average of around seven per month. There is discernible tapering from December to March [valeviewequestrian.co.uk].

2.2. Further competitions for this period e.g. March 2011 may be added subsequent to this report.

2.3. The 52 competitions can be categorised as follows: BD [British Dressage (affiliated)] 20; Trailblazers 8; Arena Eventing 6; Clear Round Jump Training [all in September 2010] 8; Senior Affiliated Show Jumping [BSJA] 8; BSJA Junior 2.

2.4. The schedule is also loaded towards BD. Ease of staging, market analysis, the natural preference of the centre management or other factors could be determinants in this.

2.5. From an examination of this seven month period it would not be unreasonable to extrapolate that the application figures for 2008-9 in the Need and Demand section of the application are feasible. Without contacting the centre it would have been difficult to obtain comprehensive figures for 2008/9.

2.6. The figure of 36 BD competitions from Jan.-Dec. 2009 is correct. The UK Para Equestrian Dressage Winter Championships were held at Vale View in 2009. However the application describes them as Para Olympic Winter championships.

2.7. A BD Area Festival was staged at Vale View in 2009 but an Area Festival was not allocated to this venue by BD in 2010.

2.8. The 30 Trailblazer dressage competitions may refer to the number of classes staged rather than the number of days. For instance there could be six classes per day over five days.

2.9. Fifty two clear round show jumping days seems a lot but is difficult to disprove without asking for evidence from Vale View itself.

Vale View - type of events - affiliated or not:

2.10. Vale View stages a wide range of competitions and clinics. These include: para dressage, affiliated [BD} dressage, unaffiliated dressage, Trailblazer competitions, arena eventing, unaffiliated and affiliated [BSJA] show jumping. Trailblazer competitions offer an alternative to affiliated dressage, show jumping and showing competitions for riders who either do not wish to affiliate or whose affiliated records are beneath the performance ceilings this umbrella organisation specifies. Trailblazers has first and second round qualifiers and a national championship.

2.11. The competitions described mean Vale View is trying to attract at least four market segments in a highly differentiated equine market place and thus obtain a broad customer base. Its schedule for a competition centre is busy and from Sept.1 2010 to March 27 2011 it is offering currently approximately 52 competitions or an average of around seven per month. There is discernible tapering from December to March. Further competitions for this period e.g. March 2011 may be added subsequent to this report The 52 competitions can be categorised as follows: BD [British Dressage (affiliated)] 20; Trailblazers 8; Arena Eventing 6; Clear Round Jump Training [all in September 2010] 8; Senior Affiliated Show Junping [BSJA] 8; BSJA Junior 2. The schedule is also loaded towards BD. Ease of staging, market analysis, the natural preference of the centre management or other factors could be the reason for this.

2.12. On its web site Vale View offers hunter hirelings. With fashionable Leicestershire packs around it such as the Quorn, Belvoir, Fernie & Cottesmore, hunter hirelings, in season in this area, can be lucrative. The image of the Leicestershire packs lures affluent Londoners and those who hunt from other parts of the UK. Some of them would contribute to the local economy through spending their weekends in the area in properties they purchase. It is interesting that the Vale View application makes little mention of this.

2.13. The application also mentions BHS exam training for Stages 1-4. However in its 2009 Year book the BHS classifies Vale View as A2 i.e. providing basic instruction in riding and jumping. It does not therefore classify it as suitable for training Stages 3 and 4 candidates. This is surprising given the horses Vale View claims it has that have competed nationally and the visiting coaches like Caroline Moore and Andrew Fletcher who could provide this training.

On its website on 22-09-10 the British Horse Society [bhs.org.uk] still listed Vale view as providing “Instruction in riding and jumping” so the position seems not to have changed.

In contrast, also in Leicestershire near Melton Mowbray, Brooksby Melton College is listed as “providing “instruction in Riding and Jumping up to and including BHSII level [BHS Stage 4 level]. Not too far away Warwickshire College is classified as providing “instruction in Riding and Jumping up to and including BHSI level, a yet higher classification and training level. Many of the other Leicestershire BHS Approved centres have the same A2 listing as Vale View. Therefore in this context Vale View is but one of many.

Para Two Star International Event

2.14. This event did not take place in June at Vale View. The only International CPEDI2 star listed for 2010 on the Para Dressage Training Trust web site [pdtt.org] was at Mannheim in Germany from the 30th April to the 4th May. Para sources have indicated that they would like to hold a CPEDI2* in 2011 or 12 in the UK but that Vale View is not one of the sites under consideration.

2.15. A CPEDI1star was held at Millfield School in Somerset from 22-25 July and a CPEDI 3 star at Hartpury College in Gloucestershire from July 13-18. .

2.16. Therefore much of the rationale in the RDPE Vale View application upon which the justification for the second indoor school was based lacked ultimately factual underpinning. Under the Need and Demand section of the application it says: “Vale View has been asked to host/run the 2 Star Para International Dressage Competition ...” Clearly this needs exploration. Germane questions are: who asked Vale View to stage this competition and how did they ask? How formal was the approach? What discussions took place? For instance could Vale View have been asked simply whether it would be interested in staging such a competition?

2.17. To base an ambitious expansion plan and grant application upon an undertaking that is not contractually agreed seems financially irresponsible.

2.18. Further more the decision about whether an international para dressage competition was to be held in the UK would be made by the FEI [Federation Equestre International in Lausanne. [The FEI is the governing body for international equestrian sport].

3. OTHER STATEMENTS FOR INVESTIGATION IN THE VALE VIEW APPLICATION

3.1. Under Need & Demand 7.the application states: “This availability of horse, training and ability to compete is simply not available elsewhere in the country ...”

There are other centres where able bodied individuals can train on the centre's horses on a 1:1 basis and compete on them. Talland in Gloucestershire would be one centre where advanced horses were available to compete if the rider was of an appropriate standard. Talland also draws riders from abroad seeking such opportunities. The opportunity for 1:1 training and the chance to compete would apply to specialist dressage training centres where trainees and regular clients could be given the opportunity to compete on both talented young horses and school masters.

3.2. Under the section on *“What Other Options Have You Considered.....”* the application says: “the business would not be in a position to host the 2 Star Para International, which would go south...” It didn't!!

3.3 Under the section on the Impact on Competitors and *“Why Vale View is Unique...”* there may not be many offering its Para dressage facilities but there are 60 centres franchised to offer Trailblazer competitions. In the British Dressage December/January 2009/10 edition 116 venues were running affiliated dressage competitions. There are many centres that combine successfully a wide mix of unaffiliated and unaffiliated competitions. Therefore to assert that the impact on competitors is “nil” requires fuller consideration. For example BD Magazine advertised Vale View dressage competitions on August 1 and Elms Farm on August 2. Clearly the proximity of the two dates would have an impact on which venues competitors selected. With both centres having the same BD Regional Development Officer, better co-ordination of competition dates is a possibility.

3.4. Also under *“Why Vale View is Unique”* the assertion that nowhere else for a 125 mile radius offers the expertise of their coaches fails to take account of Olympic dressage riders and coaches like Ferdi Eilberg and Richard Davison as well as highly respected accredited show jumping coaches like Di Lampard and Steven Smith.

3.5. Under Project Objectives and SMART goal A the application states.. “and if successful will then have a fair chance to run the British Dressage Winter Regional Championships in 2010... “. This did not happen.

3.6. Under the Need and Demand section the claim about “safe eventing practice” all year round being “not available anywhere in the UK” seems questionable given the growing popularity of winter and early spring indoor eventing competitions.

3.7. Under Impact, Section 4, page 12 the benefit to local businesses seems optimistic. Most competitors use their own vets, farriers, chiropractors and horse box mechanics near their homes. Therefore they would use those close to Vale View more in emergencies than regularly. Visits to Vale View would also be limited to daily competitions or one or two night stays mostly.

3.8. Under the Impact on Competitors, section 4, the application states: “Nowhere else in the East Midlands offers British Dressage to the standard of Vale View.”

This is debatable. The College in Bedfordshire holds the Eastern Region BD Summer Regionals and Sheepgate in Lincolnshire the National Under 25 BD Championships so they, it could be argued, offer British Dressage to the same standard.

4. IMPACT OF VALE VIEW PROPOSAL ON OTHER COMPETITORS

4.1. The addition of the second indoor school at Vale View will affect other centres like Arena UK, Elms Farm, Sheepgate, Horse World EC. and Laughton Manor.

4.2. The second indoor arena enables Vale View to sustain both an intensive competition programme and a varied array of visiting coaches. However the Vale View contention that they needed first class facilities for their visiting coaches can be disputed. [REDACTED], for instance has his own yard with immaculate facilities. Many of the other coaches listed in the application have their own yards where riders come for coaching. Some also go to other yards to teach where the facilities are less extensive than at Vale View. **So, the coaches go wherever the market is.** Prices may be cheaper at the coaches' own bases than at Vale View. For instance [REDACTED] charges £65 for a private lesson at his own centre but a lesson with him at [REDACTED] costs £75. It is difficult for other centres with one or no indoor school to offer such a tightly packed programme. As people know that [REDACTED] offers this they will look there for suitable opportunities. By going there, they are more likely to know what else is on offer there [magnet effect]. Thus a regular competition schedule is helpful in developing loyal and regular customers. This works to the disadvantage of other centres who cannot offer the same frequency of competition.

4.3. In particular Vale View and Elms farm seem to be targeting similar markets: affiliated and unaffiliated dressage, Trailblazers, affiliated and unaffiliated show jumping and visiting coaches. Currently Vale View has more visiting coaches with national and international profiles than Elms Farm. The second indoor school has given Vale View a distinct advantage. However what can be considered is how much the charitable aspects of its para activity can provide some justification for the RDPE funding it received, notwithstanding that some of the activity used to support its application has not taken place i.e. CPEDI 2 star. Therefore, to expand its customer base and business activity, Elms Farm is facing strong competition from Vale View.

4.4. The profile for Arena UK is different with more focus on corporate activity, showing and outside organisations using the facilities for their shows e.g. breed societies. However Vale View would be targeting similar show jumping riders.

The market place is a limited one. BD has 13,171 members of whom 11,245 are competing members and the BSJA about 16,000 members with about 10-11,000 riding members and 17,000 registered horses. The BD regions tend to have about 2000 members so that the market place is not one that can accommodate a marked increase in competitions without affecting entry numbers.

The BSJA Lincolnshire membership is only 335 active members and 391 active horses. This compares unfavourably with Kent at 815 members and Sussex with 714 and indicates limited potential for expansion.

5. COMPARISON OF VALE VIEW AND ELMS FARM

5.1. Vale View is more developed with more extensive facilities than Elms Farm. Its identity as a BD dressage venue centre is established. It would be fair to say that for BD affiliated dressage it has a regional identity but a national profile for para dressage. Thus Elms Farm, which has only a local identity is sandwiched between Sheepgate, near Boston, which hosts the BD under 25 National Championships, and Vale View near Rempstone. Horse World EC, at Osgodby, near Market Rasen, also hosts BD affiliated competitions as do Laughton Manor [Sleaford, Lincs.] and the University of Lincoln Riseholme campus has similar aspirations. Thus the market place is competitive with centres vying for competitors. This is part of a national trend that, with more centres being approved to hold BD affiliated competitions, the entries for each competition tend to be reduced and more unpredictable. This reduces income and makes it more difficult to develop a consistent and loyal customer base. It is debatable whether with a cluster of centres all offering similar competitions this encourages greater numbers of competitors because of the ready availability of opportunities to compete throughout the year. Alternatively is it the reverse process and large numbers of riders in a locality stimulate the need for competitions and centres to provide them? Given the geographical location of the centres under consideration and the BD membership figures this seems less likely. Lincolnshire is not regarded as a strong dressage area. Even with a new indoor school Elms Farm will find it difficult to compete against Vale View for competitors. Elms Farm is only offering five BD competitions between September and December 2010 compared to Vale View's 20 in seven months. If it was to hold the maximum of three per month which BD allows, this would be very similar to Vale View and it would be difficult to avoid dates clashes, affecting the market of both. Such an expansion by Elms Farm, while difficult to quantify, has the potential to attract within two years 5- 20% of the current Vale View market share. However it must be stressed that such an assumption is speculative.

5.2. Given the number of centres running BD affiliated competitions, Elms Farm may be better to focus on other activities e.g. show jumping. However with Arena UK 14 miles away, there is a well established centre nearby.

5.3. Other centres which offer affiliated BSJA competitions include: Vale View, Loughton Manor [nr Sleaford, Lincs], Markfield, Leics.), Horse World EC [Market Rasen, Lincs.], Trent Valley [Southwell, Notts.] & White House Farm EC [Lincoln]. Current scheduling from September to December 2010 indicates that Markfield offers high frequency affiliated show jumping about twice a week. There is plenty of competition for dates in the East Midlands with Laughton Manor and Horse World clashing on October 9 & 10.

5.4. Therefore an examination of regional centres offering affiliated dressage and show jumping reveals several competing for a similar customer base in the two disciplines. It is easier for centres holding regular discipline specific competitions to establish a profile for this.

This profile enhances the ability to attract both intermittent and regular clientele. The fact that with its new arena Vale View can offer 10 affiliated show jumping days between September and December gives it an advantage over those offering fewer days. In this period only Markfield, with by far the highest frequency and Arena UK were offering more days. Arena UK offers one more day than Vale View but six of these days are consecutive. Elms Farm, on its website at the end of August, was only offering one BSJA day between September/December 2010. Therefore it does not have the established show jumping profiles of Markfield, Arena UK and Vale View. Given Lincolnshire BSJA membership figures, it would appear the area is relatively well catered for in this discipline and that Elms Farm is competing for a share of a limited market.

5.5. Vale View would appear to be the stronger and more flourishing business at present. It has demonstrated previously that it can borrow for expansion, increase turnover and enhance its profile and reputation. It also has more facilities for liveries and more income streams than Elms Farm. That said, both businesses have interesting similarities. They are based on well established farms and have the advantage of off road riding for liveries. Vale View currently has more livery capacity, haylage provision, hunter hirelings and restaurant.

5.6. Elms Farm also has the disadvantage of hoping to recoup its capital outlay through phased rent increases to the tenant and increasing profitability in a market where they face strong and sustained local and regional pressure. The impact of the recession is now hitting those in the equine industry who had relatively large amounts of disposable income. British Eventing well established venues such as Spring Hill have ceased through inability to attract sponsors and this year several events have been cancelled through lack of entries and balloting, previously common, because of over subscribed entries, is now rare. All of this makes the Elms Farm proposal the more vulnerable.

5.7. Elms Farm would have the potential to pursue the unaffiliated one day event market which Vale View does not appear to be pursuing. British Eventing horse trials are now regarded as expensive and there is a growing but small trend towards unaffiliated one day events over well built courses. For Elms Farm to build such as course could cost about £20k. Initially it could hold about four during the non winter period. Realistic gross profit expectation for each unaffiliated one day event would be between £3-6k.

5.8. Thus the Vale View expansion make the Elms Farm project the more difficult, particularly as the strategic direction in the RDPE Elms Farm application is to compete head on in the same markets rather than to pursue expansion in alternative markets such as unaffiliated one day events, toll rides, liveries and good quality riding instruction.

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