Equine Sector Clustering
Developing a framework for growth of the CW&C equine sector.
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Abstract

A 6-month research project has looked to investigate the current scale and scope of equine activity in Cheshire West & Chester. Analysis of data regarding participation, equine population, events and businesses in the region provided a foundation for the discussion and focus groups in April, 2011. Research found a particular strength in numbers – Cheshire has a wide array of businesses and events, and certainly has a critical mass of passionate, active participants. However, this is a fragmented sector, many work in isolation and miss the emergent benefits of collaboration and simply, communication.

Using this research and conclusions of the engagement with local stakeholders in focus groups, action points have been developed to address the major issues and barriers, establishing the most effective means of growing the sector- the action points in Chapter 6.

Particular emphasis has been placed on the theory of clustering in order to harness the internal reliance, cooperation and interlinking disciplines within the sector. Reviewing literature of the subject has helped to inform the following initiatives, to be facilitated by CW&C, and most importantly empower the local stakeholders to understand the benefits of clusters; working together for mutual benefit. The literature suggests policy should focus on providing a productive, innovative in which businesses can thrive; rather than inject direct public financial support, the initiatives should be private sector led. As will be seen in the following, the role of CW&C in mediating the delivery of the action points is key to begin, and will eventually be phased out when partnerships and collaboration have reached maturity. These action points will look to compliment the BEF targets to increase participation for 16+ as part of the Olympic 2012 legacy.
Acknowledgments

The author would like to express sincere thanks to Professor’s John Wilson and Chris Proudman from The University of Liverpool, both for championing the project and providing continued academic support, not to mention their wisdom in respective fields.

Chris Capes and Ellie Soper of the Rural Regeneration and market towns team at CW&C have directed the work to align with their agenda, taking a passionate and taking an active role in regular meetings and engagement with the local stakeholders. Furthermore, Director of Regeneration & Culture, Charlie Seward, has provided his senior support for the project and kindly spoke with the local equine community of its importance to rural regeneration as part of the focus group event.

Tracey Pearson has also played a pivotal role in the work, using her knowledge and experience of Cheshire Equine to introduce contacts and help highlight potential areas for focus, for this I am very grateful.

I am very thankful of the welcoming from Manor House Stables who provided their excellent facilities for the focus group; an impressive stage, surely adding to the weight of our presentations. Mike Foster, Tom Dascombe and Lizzie Lea were pivotal in making this event a success

I would also like to thank the numerous academics across Europe and America who have provided me with their research findings, insights, and opinions of the current situation in equine activity nationally and internationally- much of their work has been referenced in this report. Sport England and British equestrian federation, especially Maggie Still and Sonia Birch, have also readily provided invaluable data and information along with their passion to help aid increases in participation.

Finally, I would like to thank all of many small businesses, riders, farriers, vets and entrepreneurs with whom I have spoken and drawn much insight from over the past 6 months, of which there are too many to name.
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Introduction

This research report has been produced by a Knowledge Transfer Partnership between Cheshire West & Chester Council and the University of Liverpool.

Our aim was to investigate the current strength of the equine sector in the county, gathering primary and secondary data regarding the scale of the activity, analyzing the demographic, and looking at the potential areas for growth; especially those highlighted in our engagement with the equine community (Chapters 1 & 2). This information was also contrasted against case studies of regions which have shown excellence in equine activity.

Chapter 3 outlines the conclusions of the engagement with the local equine community—their opinions regarding the strengths and weaknesses of CW&C and the barriers they face in participation or delivering business projects. This provided a foundation for the direction of the suggested initiatives and action points to follow.

Some key performance indicators (KPI’s) are identified in Chapter 4 and presented as the benchmark for which future growth can be measured. This allows a picture of the current state to be realised and the success of the suggested initiatives measured.

A rigorous review of literature in Chapter 5 looks at the concept of clustering and its application to the equine sector. In using these conclusions and the information gathered in focus groups, a picture of the current ‘as-is’ situation in Cheshire West & Chester is determined. By establishing the guidelines and lessons that have been learnt in policy making to support cluster development, the means in which Chapter 3’s conclusions can be addressed was realised.

Upon our base of knowledge, Chapter 6 provides suggested initiatives to address the problems and barriers faced by the equine community and those represented in the demographic data. These action points will be supported by CW&C and the BEF going forward, helping drive improvements in; training and education, events and marketing, business and economy and participation. In developing these ‘four pillars’ the equine cluster will flourish and the many benefits to the people and businesses of Cheshire west & Chester clear. It was crucial to consider the relevant and specific conclusions that came to light in the focus group, and the suggestions in how to address cluster development from the literature review.
Chapter 1. - Assess Scale, Scope and nature of the equine sector in Cheshire West & Chester

Due to the availability of data for Cheshire West & Chester (CW&C), the data collection represents Cheshire as a whole. Caution will need to be taken in the writing of this report to orientate the initiatives, and develop the proposed cluster for the primary beneficiary: Cheshire West & Chester. In collecting data, numerous sources have identified the inaccuracy of their database with regard to the new council boundaries; their inability to differentiate between CW&C and Cheshire East. Furthermore, many of the previous studies and papers providing valuable data precede the division of Cheshire, providing figures for the county as a whole. As is detailed in the following chapter, there is not an unhealthy balance- both in size (geographical area) and equine activity- between the two areas. However, suggested initiatives should focus primarily on CW&C; in practice the micro-decision making on an individual level is unlikely to be boundary sensitive. As a result, promoting growth of the equine sector businesses and individuals on the periphery of CW&C will support those inside; likewise the populace outside of CW&C will provide a substantial market and source of income within the sub-region.

1.1 National Context

Horse sport is a huge contributor to the EU economy, often providing the most sporting employees in some countries, and involving the wider audience through large events, thereby creating social cohesion¹. Betting on horse sport also provides a major source of tax revenues and employment, the structure of which differs by country. In terms of contribution of the equine sector to the rural economy and regeneration is stated by Kissmeyer (2009) on 3-axis – promoting farm investment and diversification; vocational training; developing the environment and genetic diversity, and creating micro-enterprises, tourism and training². Furthermore the activity can promote healthy lifestyle and a therapeutic aid through groups such as Riding for the Disabled. This report reinforces the effects of the critical mass of equine activity on the rural environment; the value of which will be embellished later in the report.

The equine population of Europe is estimated at 5.75 million³, of which Germany and Great Britain account for roughly one million each (although the domestic figures are disputed later). However, Sweden has the largest number of horses per capita, and Belgium and

¹ Federation equestrian International (FEI) - [http://www.fei.org/media/publications](http://www.fei.org/media/publications)


Netherlands by hectare of agricultural land. These latter statistics could be caused by horse
sport, or alternatively an increased use of equines as an agricultural tool in these countries.
In a study by The Swedish University of Agricultural Sciences (2009), they elude to the
significant fiscal and economic benefit of the industry- citing the creation of one full-time
job between every 3-10 horses in Europe; the considerable cost in both purchasing (average
5000-10000 Euros), and monthly stabling (250-750 Euros)\(^4\); competition fees, tack and
equipment and feed also add to the considerable cost in looking after a horse.

In Europe there were 47,097 registered professional equestrian (FEI) horses, and 26,477
riders riding at 1,810 events\(^5\). This excludes Horse Racing which involves a further 170,000
horses, across 80,000 horse races annually\(^6\). This professional cohort accounts for a minor
proportion of the total horse population, so although the betting, broadcasting and
employment of the elite demands much attention, the hobbyist or amateurs account for the
mass and are also the source of many jobs and income based on the aforementioned
figures. This is an important early point to note, and will be pivotal in developing the
suggested initiatives for CW&C- harnessing the power of mass participation will have a great
multiplier effect.

Liljenstolpe (2009) justified the horse as a ‘normal good’ in the sense that they would
‘experience an increased consumption with a higher disposable income level’\(^7\). In regressing
the horse population with unemployment, education level and mean consumption, it was
found to be positively correlated with the latter two (0.48 and 0.28 coefficients) and
negatively with unemployment (-0.40)\(^8\). This will be further analysed for Cheshire using
demographic data courtesy of Sport England in section 1.2.3.

In the UK, direct employment of the equine sector was estimated to be 50,000\(^9\), with a
further 150,000-200,000 employed indirectly; suggesting one full-time job is created per 5-7
horses.

Most interestingly, in the paper by Liljenstolpe (2009), the input-output analysis highlights
the impact of the equine industry in the sense that ‘the goods and services provided by the
horse sector generate a demand for goods and services produced by other sectors’\(^10\). This
study did not analyse this effect across all European countries, but does cite figures from the
US. In Pennsylvania, where each $ spent in the equine industry create $0.75 of output and

\(^4\) ibid
\(^5\) (FEI, 2009).
\(^6\) Ibid
\(^7\) Liljenstolpe,C (2009) (p.11)
\(^8\) Ibid
\(^9\) Defra,2004; Liljenstolpe, 2009 (p.6)
\(^10\) Ibid
$0.86 of value added in the wider economy\textsuperscript{11}. Furthermore, every job created added 0.36 jobs in the rest of the economy. This was also calculated in Austria and Sweden, again showing similar relationships. This can form a rationale for investment, however, the recipient must be carefully chosen. As will be discussed further, balancing the opportunities for the community as a whole against private-sector led creation of jobs and economic benefit is a challenge. An example of the World Equestrian Games in Kentucky will be studied in ‘drivers for change’ to assess the impact that public funding can make by attracting such an event.

1.1.1 GB Horse population

The National Equine database (NED) was launched in 2006- recording horse passport and owner details as part of an EC regulation (504/2008). According to the BETA survey (2006), the GB horse population has grown rapidly; from 600,000 in 1995, to 900,000 in 1999 and 1.2m in 2005\textsuperscript{12}. But since the inception of the aforementioned NED of horse passports, the accuracy of these historical estimates can be questioned. Regardless, they illustrate a large but diminishing growth rate in the ten years between 1995 and 2005.

A paper investigating the accuracy of the NED database by Robin et al, 2010 conducted a survey of sample size of 1440 which showed that 90% of horses were kept within 10km of their owners\textsuperscript{13}. This implies that the passport data closely represents the location of horses- and it could be used with a fair degree of confidence to determine equine populations of an area. However, Allinson et al. (2009) revealed that the coverage is not so good; roughly 25% of horses do not have a passport\textsuperscript{14}. Furthermore, Robin et al (2010) revealed variation in the information collected from the Passport issuing office (PIO) for each passport\textsuperscript{15}. Different PIO’s require varying levels of information- for example, not all include horse location and some prefer owner location as a requirement. It is therefore difficult to pinpoint the location of all horses with passports, as this is not mandatory information at all PIO’s. Saddle Up Evaluation (2007) estimated the passport allocation to be closer to 85% of the population\textsuperscript{16}.

In using the NED figure of 1.1m for 2007, BETA (2006) estimated a population of 1.3m, using the passport coverage accuracy of 85% they suggest. But by 2009, The British Horse Industry

\textsuperscript{11} Ibid
\textsuperscript{12} British Equestrian Trade Association (BETA) (2006)- ‘National Equestrian Survey’, Swift research, UK (p.5)
\textsuperscript{13} Robin et al, (2010)
\textsuperscript{14} Allinson et al. (2009)
\textsuperscript{15} Robin et al. (2010) (page?)
Confederation (BHIC) reported that 1.36m passports had been issued\textsuperscript{17}. Based on this figure and the coverage estimates of 75\%\textsuperscript{18} and 85\%\textsuperscript{19} the estimated horse population in 2009 is somewhere between 1.6m and 1.81m nationally. This shows that the horse population has increased by between 23-38\% in two years. However, it could be the case that the passport coverage accuracy has improved since the collection of Allinson et al and Saddle Up’s data. If this was the case, the increase in population increase would not be as alarming as 23-38\%.

Interestingly, BHIC data also shows that 49,000 horses were foaled in 2008 nationally\textsuperscript{20}. This figure becomes a lot more difficult to trace historically as the NED passport scheme was only implemented in 2006. However, this would suggest that the 260,000 increase in passports, between 2007-2009, is not accounted for by the number of horses foaled nationally. Many passports may still be held by horses that have passed away and even if the database was not updated, one could only expect the population to swell by somewhere around 98,000 (not 260,000) over 2 years. This shows the improvement in the NED passport scheme; further studies will be able to use their figures as an estimate for population more confidently. This can only suggest that the passport coverage has improved and horses that did not have one now do. Consequently it is likely the error figure is smaller than the 75 or 85\% and that the NED figure of 1.36m is closer to the actual horse population. However, the recession of late 2008 saws a decrease in the number of sport horse registrations in Ireland\textsuperscript{21}, this is likely to be the case nationally and CW&C will not be exempt from this. As population estimates have used estimations/projections, future research may see the effect of this blip (although sport horses only account for a sport portion of total foals, this is likely to have an impact on them) and the future calculations may not show as ambitious an increase from these figures as would be hoped as the economy climbs out of recession, especially in an activity which is stereotypically seen as a luxury.

There is, however, a possibility of duplicate passports issued and passports still held by deceased horses. This may indicate the number of passports issued overestimates the horse population. DEFRA suggests the population could be between 600,000 and 1.2m for this reason\textsuperscript{22}. This extremely broad estimate shows little confidence in the coverage of the NED system. However, the aforementioned error measures from Saddle Up (85\%) and Allinson et al. (75\%) suggest the passport distribution provides a more accurate illustration of equine population than the wide range DEFRA states.

\textsuperscript{17} BHIC
\textsuperscript{18} Allinson et al. (2009)
\textsuperscript{19} Saddle Up (2007) (p.13)
\textsuperscript{20} BHIC
\textsuperscript{22} www.defra.gov.uk
1.1.2 Participation

BETA study in 2005/6 states that 43% (11m) of British households have a member with some form of equestrian activity\(^23\). However, this may include racing, either as a spectator or via gambling. Further differentiation is needed into their involvement in equestrian activity, although it is worth noting that occasional sports gamblers will not contribute as much to the equine economy as participants in the sport. (As will be explained later, the average annual cost for looking after for a horse is a substantial £9,117\(^{24}\)). Furthermore, only a proportion (£81m in 20011 \(^{25}\)) of the huge profit from the betting industry is returned to the horse racing industry in the form of an annual levy on betting operators in Great Britain. In analysis of the trends in participation for equestrian activity, Sport England’s ‘Active participation Survey’ provide a breakdown of the frequency of activity within equine participants and the level of competition.

2.4million people rode at least once in the previous 12 months in 1999, growing to 4.3 million in 2005/6\(^{26}\), a substantial growth. But the Sport England report of 2009 shows that the vast majority of equestrian participants (80%+) participate at least once per week\(^{27}\). This proportion has been stable over the past 5 years, although the number of participants has increased, indicating an increased appeal in the sport.

\(^{23}\) BETA (2006) (page.5)
\(^{24}\) See section 1.3 – Value of the equine economy
\(^{25}\) Betting levy for horseracing set at 81m– 16/02/2011 - [http://www.ft.com/cms/s/0/d3576a5a-39ea-11e0-82aa-00144feabd0.html#axzz1Md6KZYwM](http://www.ft.com/cms/s/0/d3576a5a-39ea-11e0-82aa-00144feabd0.html#axzz1Md6KZYwM)
\(^{26}\) BETA (2006) (page.5)
Figure 1 above illustrates the behavior of the equestrian participants in relation to their frequency of activity. It shows that the sport is dominated by those who participate at least once per week (4+ sessions in last 4 weeks). Inference can be made that equestrian activity is a significant part in the lives of these people and it is likely that many own or look after an equine as well as participate. Less serious, leisure riders, participating 3 or fewer times in the last 4 weeks, account for only 9% of participants in the year Oct 2008-2009.

I have observed first hand - the dedication, commitment and lifestyle changes required to

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look after equines. For many people, those 720,000\(^{29}\) nationally who are responsible for looking after horses -this will be a daily and often full-time task.

**FIGURE.2- Source: Sport England APS survey 05-09 (2009)**

Figure 2 shows the change in the number of participants in equestrian activity on a regional level over the participation studies of 05/06, 07/08 and 08/09. Statistically, they find no significant trends other than the increase in the South West. Based on the APS3 of October 2008-2009, the North West region accounts for 12% of the national participants active at least once per week \((41,200/341,200*100)^{30}\).

In addition, Sport England (figure.3, below) show that tuition accounts for a much larger proportion of the sector than clubs and competition- thereby implying that most people involved in equestrian activity are frequently involved but within a private and leisure realm rather than in clubs and competitions. This data could also be used to gauge the number of participants in Cheshire. Sport England presents an average of 8% and 27%\(^{31}\) of participants as members of clubs and competitions. Using the data collected from club membership and/or event application in Cheshire, the total number of equestrian participants will be estimated using this national average. As will be discussed at length later in the report, the riders at an amateur level are the main target of Sport England to increase participation. Furthermore, widening the base of the pyramid will increase the talent pool from which elite rider’s progress.

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\(^{29}\) BETA (2006) (p.5)  
\(^{30}\) Sport England APS3 -  
http://www.sportengland.org/research/active_people_survey/active_people_diagnostic.aspx  
\(^{31}\) ibid
1.1.3 The importance of Horse Racing

Horse racing could be described as the financial fulcrum of the horse industry. It is this that receives the most media attention, the largest fees in thoroughbred breeding and grosses huge revenues and tax receipts from spectator betting. In the chart below (fig.4), the report by Deloitte ‘The Economic Impact of British Racing’ (2009) shows the flows of money around the industry. It is important to highlight the magnitude of the off-course and secondary expenditure which shows the wider benefits to the economy of racing events. This will be discussed further in the analysis of Chester racecourse regarding the extent of off-site visitors and exhibitors expenditure which is leaked into the local economy.

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Figure 5, below, shows the popularity of jump and flat racing as a spectator sport, attracting roughly 6 million people annually, but the average per event has fallen drastically. This figure has remained fairly consistent over the 6 year study whilst the number of racing events has tended to increase. Interestingly, this may imply that the increased opportunity for spectating at these events has not increased attendances—potentially suggesting that a ceiling in ‘interest’ in the sport has been reached. This may be particularly important as development of further events may not contribute to an increase in expenditure in the equine economy as no new spectators are attending. Stimulating grass roots participation could be a more sustainable route to growth in the future as increasing events may create jobs and facilities in the short term, but may become surplus to requirements, and therefore a drain on the industry, if demand is insufficient.

FIGURE 4 – Source: Deloitte ‘The Economic Impact of British Racing’ (2009)

1.1.4 Betting Industry

As can be seen in the financial analysis of the horse racing industry, betting plays a huge contributor—with an annual betting total of 35 billion EUR by 20 million punters, and government tax receipts totaling 1.6bn. In addition it contributes over 300,000 jobs; 155,000 of which are directly employed. The model experienced in Great Britain is different from that in the majority of European countries, aside from Ireland. The majority of mainland Europe rely on a purely Pari Mutuel model, but in the work by the EPMA, this is not always deemed the most beneficial—this is depicted in Figure 6 below.

This shows how the German horse racing industry has been suffering since 2001. The Pari-mutuel model has decreased the attractiveness to punters, therefore reducing the prize money and therefore the number of jockeys and events, and subsequently jobs. This downward spiral continues. In contrast, Great Britain has a 96% privately organized betting landscape which has grown in the same period.

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Analysis by The European Pari Mutuel Association shows the value of the betting industry and how its magnitude, linked with prize money, is a key stimulant of employment and breeding activity. This is particularly apt for this study in trying fostering growth of the sector, both jobs and international acclaim (such as breeding) being major tenets. If the earlier conclusion, that a ceiling in racing attendance has been reached, any off site increases in betting should contribute value. This could be an important focus of any initiatives. Figures 7 and 8 show this.

FIGURE.6 - Source: EPMA- ‘Economic & Social Contribution of horse racing in Europe’- 2009

FIGURE.7 - Source: EPMA- ‘Economic & Social Contribution of horse racing in Europe’
It is clear that this high level/elite sport is a financial attraction and a creator of employment, and as will be shown later, expenditure at these events extends past ancillary equine businesses to secondary spending in the local area. Furthermore, the graphics above (figures 7 & 8) show them to be a catalyst in increasing the breeding activity. This would also necessitate any of: bloodstock auctions as a means of auctioning; a stud farm; livery/stabling to care for the horses; veterinary expertise and education in the different disciplines of care.

In conclusion, the impact of prize money is crucial to stimulating growth, requiring an increase in betting through increased attendance, media coverage or reputation of the event. In terms of CW&C funding, this may not come through attracting more events, or developing a new venue; rather, by improving the current offering. This may be through new ingenious and fun ways to attract gambling clientele. As the Deloitte data earlier shows, the total attendance at racing events has not increased in-line with the number of events. Ipso Facto, the gross expenditure would not increase on-site. This may be re-distributed favourably -within the region by establishing a higher calibre of event, but it seems unlikely that a new glut of the population will develop a new-found interest in horse racing. The notable effect that gambling has on the calibre of events and thus the spectator appeal and tourism spending will be a contentious issue for policy. CW&C will have to avoid pushing an increase in betting and rather focus on increasing the events programme or calibre of events. As the profile of the events increases, this will likely increase the expenditure on gambling and have the aforementioned economic benefits on employment.

1.1.5 Breeding industry in UK

As this EPMA data has shown, breeding is greater with greater prize money at races as they become a more attractive prospect for owners. However, despite the positive correlation between these two factors, the UK appears to buck the trend with respect to the number of breeders. On the contrary - in terms of the number of foals, mares and stallions which is also positively correlated with prize money, the UK follows the trend. This suggests the breeding activity is more concentrated, or accounted for by a fewer breeders.

![Graph showing correlation between average prize money and number of foals, mares, and stallions](source: EPMA - ‘Economic & Social Contribution of horse racing in Europe’)

With this, there is a likelihood that some areas will have little breeding activity and there may be an unsatisfied demand or market for a breeder to avoid excessive travel of those purchasing, or visiting a stud. Breeding in the UK is another lucrative sector of the equine sector, but it is difficult to know how much money is involved in the non-elite. These figures above relate to horse racing in which the higher prize money acts as an incentive for horse owners and breeders. In areas in which there is equestrian sport the betting and broadcasting do not create huge pools of prize money and foster breeding. As will be discussed further, CW&C faces stiff pressure from Newmarket’s equine cluster in racing which has considerable breeding operations (Darley stud, for example), bloodstock auctions at Tattershalls, a race course and veterinary hospitals to support it. There could be a niche for a sport horse stud and auction supported by events such as Bolesworth’s Classic, using the veterinary facilities at Leahurst.
Just short of 5,920 foals were born in 2008 in the UK from the 10,740 active broodmares\textsuperscript{37} and there are 4,400 breeders who own broodmares and 300 stud farms with stallions and mares. But it is noted that 27 of the studs have 20 or more broodmares\textsuperscript{38}, reinforcing the earlier sentiment that the UK breeding industry has become very concentrated.

In the conference proceeding by Dr. Karen Hennessy for Equus 2009, an in depth analysis of the sport horse breeding industry in Ireland shows the economic recession to have made a negative impact. As horses are as a normal good there is a reduced demand, causing the poorer breeders to fall away. Hennessy states how- ‘a quality horse will always sell’ but ‘moderate and poor quality animals are un-commercial’\textsuperscript{39}. One would expect the racing industry to be affected to a lesser extent as they are striving for larger event purses (performance sales – figure 11), however they too seem to have decreased the coverings in Ireland. The number of sport horses covered decreased by 40\% between 2008 and 2009. This has caused a major over-supply of equines in Ireland which has sparked an animal welfare outcry for a major cull, in order to reduce suffering. This will be discussed more at a later stage in the study. As the UK economy has come out of recession, it is difficult to tell the effect it will have on breeding; and therefore the decision to pursue this aggressively in CW&C. Organic growth through the increase of event prize money should do this more sustainably.

\begin{figure}
\centering
\includegraphics[width=\textwidth]{fig10.png}
\caption{40\% drop in coverings
Estimate from stallion owners}
\end{figure}

\begin{table}
\centering
\begin{tabular}{|c|c|}
\hline
Year & Number of foals born \\
\hline
2008 & 5,920 \\
2009 & 5,920 \\
\hline
\end{tabular}
\end{table}

\begin{figure}
\centering
\includegraphics[width=\textwidth]{fig11.png}
\caption{Number of sport horses covered}
\end{figure}

\begin{figure}
\centering
\includegraphics[width=\textwidth]{fig12.png}
\caption{Performance sales}
\end{figure}

\begin{figure}
\centering
\includegraphics[width=\textwidth]{fig13.png}
\caption{Coverings decreased}
\end{figure}

\begin{figure}
\centering
\includegraphics[width=\textwidth]{fig14.png}
\caption{Animal welfare}
\end{figure}

\begin{table}
\centering
\begin{tabular}{|c|c|}
\hline
Year & Number of studs \\
\hline
2008 & 300 \\
2009 & 300 \\
\hline
\end{tabular}
\end{table}

\begin{table}
\centering
\begin{tabular}{|c|c|}
\hline
Year & Number of broodmares \\
\hline
2008 & 10,740 \\
2009 & 10,740 \\
\hline
\end{tabular}
\end{table}

\\textsuperscript{37} Deloitte (2009) ‘The Economic Impact of British Racing’ British Horse Racing Authority (pp.1-48) \url{www.Britishhorseracing.com} (p.32)
\textsuperscript{38} ibid
1.1.6 European Policy (CAP)

Figure 12 below shows the increasing trend in Common Agriculture Policy to focus on rural development. As a result, it is expected that with an increase or maintenance of RD funds in the advent of 2013’s CAP, the equine industry can play a major role in this development. Land use can be accounted for by feed production, horse care, and competition venues, all of which can have economic benefit. The exact proportion of total funding and the criteria required to access it is unknown at present, awaiting further decisions at the European level.
As is reflected in the shift toward rural development in the CAP budget (figure.12), the income from farming has shown to decrease considerably and is around £4bn\textsuperscript{40}. Whilst the same study states that the horse racing industry is said to amass total expenditure of £3.4bn (including secondary expenditure). This has increased considerably, as is shown in figure.4 from the £2.8bn of 2005\textsuperscript{41}.

With respect to public funding and policy, this shows the increasing importance of investment in this field. In terms of employment, horse racing employs approximately 18,000 people, more than the 11,000 in forestry, but less than the 200,000 in farming\textsuperscript{42}. However, factoring in the indirect employment associated with horse racing, the figure is considerably larger at 100,100\textsuperscript{43}. This is broken down in figure.14 below.

\textsuperscript{40} Deloitte (2009) ‘The Economic Impact of British Racing’ British Horse Racing Authority (pp.1-48) www.Britishhorseracing.com (p.24)
\textsuperscript{41} ibid
\textsuperscript{42} (DEFRA, ONS; Deloitte, 2009) (p.42)
\textsuperscript{43} ibid
When adding employment from all spheres of equine activity, it is clear the contribution it makes to the rural demographic- providing employment for those working at the events as well as those working to support it in betting, construction and within equine health care. Furthermore, the secondary expenditure at events has an impact on many other entertainment, transport, and accommodation businesses in the local economy.

The EPMA report also discusses the wider benefits of horse racing in terms of social cohesion- both in terms of betting for leisure or attracting people of all ages and social classes to the events/races.

In summary, CW&C sits in a nation with great revenue from race betting and the extensive network of horse racing which creates many jobs and great economic benefit. The magnitude of the prize is said to induce increased breeding activity. Breeding activity is fairly concentrated, especially the sales which mostly take place in Doncaster and Tattershalls (Newmarket). Facing this competition is difficult, but the potential to attract higher calibre events or increase the appeal of current events at Chester Racecourse remains a priority. Furthermore, the potential of a sport horse stud is realistic if the economy has recovered sufficiently in this luxury leisure-based market.

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1.2 Cheshire Context

1.2.1 Horse Population

Regarding the horse population for Cheshire, or CW&C in particular, BHIC presents national equine density average of 17 horses per 1000 people and 4.3 horses for every km²\(^4^5\). On this basis:

Based on population- Cheshire (1,006, 100) would have 17,104 horses (2008)

CW&C (328,600) would have 5,586 horses (2008)

Based on geographical area – Cheshire (2,343km\(^2\)) would have 10,075 horses. (2008)

CW&C (918.28km\(^2\)) would have 3,949 horses (2008)

These figures have been calculated based on the national average for the distribution of equines, and imply that Cheshire has a greater number of horses based on population than area. This provides an indication of its potential as a centre of concentrated activity in the equine economy. Furthermore, these measures appear drastically shy of the estimated population of 40,000\(^4^6\) (2006) by Cheshire Riders which served to build upon the estimates of the Cheshire County Council of 30,000. North Cheshire Riders’ carried out this study, sampling a 47-km\(^2\) area and scaled the equine density upto the footprint for the whole of Cheshire. By this estimate, Cheshire accommodates a much greater population of horses than one would expect based on both its size or population; it can be regarded as an area of concentrated equine activity.

Furthermore, projecting the horse population from the North Cheshire Rider’ s 2006 estimate (40,000) based on a % increase in participation of 24% from 2005/06 to 2009 (33,200 to 41,200), then the number of horses in Cheshire can be estimated at 49,600.\(^4^7\)

This estimate and its source from Cheshire Riders appears much greater than the estimates based on geographical area and population and the BHIC average on horse population for these variables.

Using farrier activity as a proxy measure

\(^{4^5}\) BHIC


Initially thought of as a good gauge of horse population; as it is a ubiquitous activity in the life of an equine and each horse needs to be shod roughly every 8 weeks. (every 5/6 weeks on average -Ian Hughes, Olympic farrier or 6/8 weeks, Saddle up). In interviewing ex-Olympic farrier Ian Hughes, the average length of time for a horse to be shod was aid to be 1 hour. As a result, a farrier working at full capacity could shoe around 8 horses per day. But Saddle Up’s evaluation average the number of equines at 5/day on average, due to the travel required between client locations.

There are 63 registered farriers in Cheshire\(^{48}\). This is an increase from 47\(^ {49}\) recorded by Saddle Up from the FRC or 55\(^ {50}\) from the NED.

Based on 5 equines daily, 5 days per week for a 50 week-year\(^ {51}\), each farrier can shoe 1,250 horses per annum. However, this needs to be divided by 5-6 or 6-8 (I have used 6.5) for repeat customers, and multiplied by the number of farriers (63).

This would produce an estimate 12,096 horses in the Cheshire area, which is much lower than the population-based estimate and considerably lower than the Cheshire Riders estimate. It is also possible that each ‘registered’ farrier can effectively service double the number of horses if they have apprentices employed. If the current number of farriers registered- (each with apprentices)- would only account for 24,192 horses, someway short of the 2006 measure of 40,000, and further from the adjusted figure for the increase in participation of 49,600. In practice not all of the farriers in the Cheshire area have apprentices. It is also likely that some of the equines are not shod regularly or at all, depending on the level of care or frequency of use. In addition, many farriers are able to service much more than the Saddle up estimate of 5 per day- the resident farrier of Manor House stables, for example, services approximately 70 horses. The reduced travel needed means he can see a much greater number of horses than would be possible otherwise. Furthermore, there are 63 registered farriers in Cheshire, but many may service horses with the county; this estimate would not include them.

Hereby lies the problem with this measure- Farriers tend to develop long term relationships with their customers, and are flexible in travelling if the owners relocate. (For example, Ian Hughes travels as far as Gloucester for 2 horses). In addition, many farriers registered in Cheshire may treat Horses outside the county; likewise, farriers from outside may do a lot of business within Cheshire. If, as was previously determined, the horse population in Cheshire is likely to be greater than would be expected from population and area based estimates,

\(^{49}\) Saddle Up (2007) (p.15)  
\(^{50}\) National Equine Database (NED) - [http://www.nedonline.co.uk/public/Home.aspx](http://www.nedonline.co.uk/public/Home.aspx)  
\(^{51}\) Saddle Up (2007) (p.15)
this may necessitate farriers from outside of Cheshire. Thus, the number of farriers ‘working’ in Cheshire may be considerably more than 63.

In all the data collection by North Cheshire Riders which challenged the CCC-Research and Intelligence Department with a robust method which figured 40,000 horses in the area. This seems a more accurate method than using the above proxy or the questionnaire survey I have distributed (this data does not represent a good cross-section as it the larger businesses/operations with more staff, and thus more horses, who are able to spare the time to respond). Building in the aforementioned Sport England increase in participation I conclude with an estimate of 49,600 horses in Cheshire. Dividing this into CW&C and Cheshire East is not an exact science. Based on area and population, the figures are as follows:

**Area -**

- Cheshire West & Chester – 21,935
- Cheshire East – 27,665

**Population -**

- Cheshire West & Chester – 23,618
- Cheshire East – 25,982

These divisions between the East and West apply no weighting or consideration of the hubs of activity which may have much more concentrated equine populations. Also, the 2006 calculations by North Cheshire Riders precede the division of the county into the above, and at this time also included Warrington and Halton. This 40,000 estimate would include these areas. In using the Cheshire Riders sample area which counted an average of 15 equines /km and applying this to create a revised estimate which removes the Warrington and Halton factor, gives the following values (inclusive of Sport England increase in activity):

**Cheshire West & Chester – 13,774 (17,080)**

**Cheshire East – 17,373 (21,543)**

**Estimating ‘new’ Cheshire’s (CW&C and Cheshire East) equine population at 38,623**

**Participation -**

By using the governing bodies’ membership totals for their various sports in Cheshire, and the 8% figure\(^{52}\) that these participants would represent (assuming the structure of the equine industry in Cheshire is synonymous with the national average), the number of participants can be determined.

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Dressage – 401 members in Cheshire (nationally- 13038- 3.1%)\textsuperscript{53}
Eventing – 450 members in Cheshire (nationally 10,000- 4.5%)\textsuperscript{54}
Endurance – 89 members in the Cheshire group (nationally 2,087- 4.3)\textsuperscript{55}
Show-Jumping – 460 members in Cheshire (nationally 16,000- 2.9% )\textsuperscript{56}
Polo – 80 (Chester) and 60 (Chester RC)\textsuperscript{57}

This shows compared to national activity that Cheshire averages 3.7% of the equestrian governing bodies membership but has roughly 1.7% of the population \textsuperscript{58}(1,006,100 of 60,003,000) this highlights the area as an area of concentrated equine activity. It is important to note it has a larger proportion of the national members for endurance and eventing, but in absolute terms – endurance is a much smaller scale activity. Cheshire has a similar number (45 to 460) involved in eventing and show-jumping but this is a larger segment of national participants in eventing.

Under the active participation survey by Sport England (2009), club membership should account for 8% of the equestrian activity. This total of 1400 would therefore suggest the total level of participation in Cheshire is 17500. Note that this figure will be someway shy of the total number of participants as it excludes other disciplines for which figures were not available (polo and racing for example) but these other disciplines are unlikely to have a large proportion (such as the 92% above) not involved in clubs, i.e. ‘happy hackers’. Racing is unlikely to have as many participants as it has significant financial barriers to entry. Polo, meanwhile had 80 members of Cheshire Polo club but could not be included in the total participation figure as this is not included in the Sport England data – the number of people participating in Polo Is likely to be much closer to the number that are members of a club as it is a team sport and has little benefit outside of this. In saying this, the membership figures of 80 and 60 can be used as a benchmark for polo activity, against which future calculations can be made.

\textsuperscript{53} British Dressage - http://www.britishdressage.co.uk/membership
\textsuperscript{54} British Eventing - http://www.britisheventing.com/section.asp?section=636
\textsuperscript{55} British Endurance - http://www.endurancegb.co.uk/html/GroupDetails.asp?Group_Id=CHES
\textsuperscript{56} British Showjumping - http://www.britishshowjumping.co.uk/membership.cfm
\textsuperscript{57} Cheshire polo club - http://www.cheshirепоlocлub.com/
1.2.3 Cheshire Equine Demographic

Following the Sport England Active Participation Survey (2009), which was introduced to explain equine activity on a national scale, the diagnostic tool reveals the extent of the activity amongst the Cheshire demographic.

Figure.15 below shows over 86% of participants were female (APS3)\(^{59}\). Equestrian activity has been dominated by females, with as much as 91% in APS2 and slightly less (81%) in APS1\(^{60}\). Figure.16 Shows that the 35-54 year old females are the most likely to be involved in the sport (39.63%), with the 16-24’s (19.74%) accounting for a larger proportion than 25-34’s (16.92%) or 55 years plus (10.32%)\(^{61}\). This implies that women tend to be introduced to the sport in their childhood, taking a break during their career development and/or maternity before reigniting their interest 35 years +. Furthermore, the increase in participation in these latter years may be due to the increased wealth of individuals who hit barriers to participate in early life, the increase in leisure time or introduction via a friend or spouse. All of which are factors which have a positive effect on participation as is shown in the following Sport England data.

<table>
<thead>
<tr>
<th>Gender</th>
<th>APS1</th>
<th>APS2</th>
<th>APS3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Percent</td>
<td>Weighted count</td>
<td>Diff</td>
</tr>
<tr>
<td>Male</td>
<td>18.00</td>
<td>17</td>
<td>-</td>
</tr>
<tr>
<td>Female</td>
<td>81.00</td>
<td>71</td>
<td>-</td>
</tr>
</tbody>
</table>

**FIGURE.15 – Source: Sport England APS3 - Cheshire by gender**


\(^{60}\) ibid

\(^{61}\) ibid
FIGURE.16 – Source: APS- Age within gender in Cheshire.

Meanwhile, males only account for 13% in total; divided into 8.05% and 5.33% for 25-34 and 35-54, respectively. One can infer these are predominantly serious riders, many of whom cease to participate as they get older. Only very few pursue their interest.

Other metrics from Sport England highlight the current participants in equine activity. This can both indicate the target audience for the sport and highlight the groups which the opportunities to get involved need to be increased.

Figure.17 shows that 92.83% have no limiting illness or disability. Saying this, there are several affiliated centres for the RDA (Riding for the disabled association) throughout Cheshire. This may not suggest an inequality, rather the proportion of those with a limiting illness or disability is much less than not. But the proportion with such a condition in the population is less than the 7.17% of equine participants, at approximately 15%. However the degree to which individuals suffer will affect their ability to participate and it is likely that although these figures suggest only 50% of the disabled demographic (if Cheshire is representative of national stats), a lot of the remaining 50% are physically unable to ride. It is an area which is worth addressing however, and the RDA continues to provide accessibility to the facilities but as a Charitable organization they have limited resources which lead to a long waiting list. They currently have 4 waiting for every rider being trained.

As a result, many more than this 7.17% are trying to participate in the sport but are limited by the RDA’s capacity – good news for the accessibility agenda but bad news for the RDA.

FIGURE.17 – APS in Cheshire with limiting illness or disability

Figures.18 & 19 highlight the financial constraints on the sport. It is difficult to determine the contribution of the cost of participating in the sport against the social constructs which restrict some groups from having equal access. Figure.18 Shows that 76.09% have a household income above £26,000; of which, 45.45% earn above £45,800\(^63\). In addition, 98.59% have a mortgaged property and the majority of participants have numerous vehicles\(^64\). Over one third (33.99%) have three or more cars, 44.08% have 2 cars and 16.41% have a car- leaving only 5.52% of participants without their own means of transport\(^65\). This could be argued that it shows a car is necessary to participate in such an equipment-heavy sport (a financial barrier in itself). However, the proportion (33.99%) with more than 3 cars suggests it is dominated by the wealthy. Determining the accessibility of equine sport for those in lower income brackets is not clear cut. Although the majority of participants in Cheshire have higher than average income and numerous cars commonly, it may be that these are coincidently characteristics of those interested in the sport rather than criteria (as such) to enter. For example, it could be argued that many people living in rural Cheshire, an area with a multitude of opportunities for equine activity, are those who work in cities and towns- commuting to benefit from the tranquility of the countryside for family life. For the

\(^{64}\) ibid
\(^{65}\) ibid

Sam Favager – University of Liverpool & CW&C Council
same reasons, they may prefer a relaxed, outdoor sport such as equestrian. They may also be of the age ranges (above) that are suited to the sport.

Without surveying the unsatisfied demand for these activities; people who feel it is not affordable is the only way to garner accurate conclusions from this data. It is clear that the culture plays a part, and the investment required would necessitate parent buy-in and thus often saturates families for generations.

**FIGURE.18 – Source: APS Cheshire Household Income**
FIGURE 19 – Source - APS Cheshire No. Cars per household

With regard to the frequency of participation, Sport England data provides evidence that 91.98% of participants perform at least 12 times monthly (i.e. at least 3 times per week)\(^6\). This highlights the dedication required in the sport and likely points to the fact many are responsible for looking after equines too; for many it is a lifestyle choice. Due to the importance of its role in many lives, the passion and enthusiasm is high and garnering support for development of the sector is achievable.

Furthermore, the APS data also captures the satisfaction of the equine demographic in Cheshire’s facilities - of which 79.72% were satisfied. This may reflect the private nature of the sport. There are much fewer public riding facilities than provision for a sport such as Golf. In addition, the dissatisfaction, 16.36% could represent those who feel there is insufficient opportunity for them to partake in the sport. On the contrary, this may represent those elite riders who are disgruntled with the number of internationally renowned events in Cheshire.

1.2.4 Market Segmentation

Sport England has also produced charts to represent the target groups who participate in certain sports. This can be used in the latter stages when businesses look to market their services, products and events to the right market. Furthermore, it will prove valuable in identifying the key active groups for equestrian sport and those which could be improved upon.

Figure 20 above shows the breakdown of the equine demographic into the 19 ‘profiles’ Sport England have created. This alone does not illustrate much without understanding the profiles which account for the largest proportions, why, and those which don’t.

Clearly, Chloe, Helena, Elaine, Alison account for the largest proportions, reinforcing the earlier analysis which showed the vast majority to be female.’ A brief explanation of these fictional characters is given below, and gives us some idea of the kind of people which make up Cheshire’s equine community:

Chloe – young, image-conscious females keeping fit and trim between the ages of 18-25. They are recent graduates, single and live active fun lifestyles. To target this profile, equestrian must compete with the fitness classes and gym activities they take part in - e.g. zumba, pilates and step aerobics. Many of this profile will have developed an interest in their earlier years and continue to maintain the expensive hobby as they are less sensitive or worried about finances than other groups.

Helena – A single, career-focused female between the ages of 26-45, Helena is also likely to be a member of club or receive coaching/training as part of her active lifestyle. 3% participate in equestrian, only a further 2% say they would like to do more of it. This still shows an opportunity for the sport to nearly double its participants and aside from injury, work commitments prove the largest barrier to this. Equine businesses should provide a hassle free, quick way to maintain those riding as a Chloe (5%) through to a Helena.

Elaine – This group are empty nest career ladies, between the ages of 46-55 with a lot of leisure time at their disposal. Many of this profile will be lapse riders who re-take up horse riding following a break when they have families and pursue careers. This is an important group for businesses to appreciate and should use a hassle free means of keeping their interest during the busy part of their life. It is important to note that, although they account for a significant group of equestrian participants, only 2% of ‘Elaine’ ride horses. This is double that of all adults (1%) but it is still a minor activity within this community. Their main motivations are; keeping fit, enjoyment and weight loss. They also state the most significant barrier is that of busyness and this may prevent them from participating. Riding schools and clubs should consider this group, providing a quieter opportunity for Elaine to ride as a release and diversion.

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Market segmentation – Sport England - http://segments.sportengland.org/results.aspx?query=Sports#output=chart&map=polygon&polygonType=OA&catchmentType=focus&querySource=Sports&queryType=CharPop&sportBox=1&sport=67&sportPlay=play&focusType=LA&focusName=53&chart=population
Alison – is also a significant group but will likely represent the same group as in Chloe and Helena, who have eventually started families between the ages of 36-45, and are now ‘stay at home mums’. This group is less than the previous two, and slightly less than Elaine; family commitments provides the major barrier to participation. This shows how the Equine enthusiasts decrease during this period of life and many re-take up the sport but not as many as were originally involved. This is shown in figure 21 below. By providing opportunities for Helena and Alison to meet their needs, a greater proportion of the Chloe will be maintained in the sport through the Elaine period. Gearing opportunities to this group such as ‘horsey coffee mornings’ or having crèche facilities will help increase their tenure in the sport.

FIGURE 21 - Source: Sport England market Segmentation (2011)

The graphic (fig.21) shows the CW&C equine demographic, contrasted against Cheshire, the North West and England as a whole. Encouragingly, it shows a similar trend of the ‘profiles’ most involved in the sport. This either tells us that only specific types of people, or profiles, are interested in participating (and do participate); or, on the contrary, the accessibility issues for certain groups, such as social stereotypes are a nationwide phenomenon. It is more than likely that the former is the case. As a result it is important to look at profiles in which CW&C lags behind England or regionally and assess to causal factor for this – are

http://segments.sportengland.org/results.aspx?query=Sports#output=chart&map=polygon&polygonType=OA&catchmentType=focus&querySource=Sports&queryType=CharPop&sportBox=1&sport=67&sportPlay=play&focusType=LA&focusName=53&chart=percentage

Sam Favager – University of Liverpool & CW&C Council
there a smaller gross number of this profile in the area? Or are the businesses not marketing effectively to these target groups.

BEF’s funding and participation targets need to focus on the most popular profiles, gearing marketing strategies towards the groups. Chloe, Helena, Alison, & Elaine are clearly the most prominent of the groups so devising an attractive proposition for these groups will be key to increasing participation, of which the multiplier effects on the equine economy, its ancillary businesses, and rural regeneration in CW&C should be significant. This is quite a niche group to target, but the data shows the vast majority of participants to be female, and as shown in the charts above, this reduction in activity due to work/family commitments needs to be addressed.

1.2.5 Equestrian Sport

Despite the undoubted economic impact on the area, the high degree of fragmentation in the sector does not allow possible synergies amongst the different activities connected with equestrian sport to be exploited. This fragmentation extends to different equestrian disciplines, restricting rational planning of equestrian events so that they do not overlap each other. At the same time, as there is no overall information about them and the value of prizes is falling, this may result in some rather skewed projections. This circumstance is reducing the possibility of earning a decent income, participation (a lot of riders go elsewhere to compete) and public attendance.

There are a large number of facilities designed for training and equestrian competitions. However, the quality of these facilities does not reflect the growth of interest, and particularly less so in comparison with the facilities of other countries like Holland and Germany69.

1.2.6 Events

There are 14 venues across Cheshire and periphery, excluding Merseyside’s Aintree and Haydock Park which also likely to have an effect on equine activity, stakeholders and spectators from within Cheshire. The following information provides case studies of the higher profile events in the area.

NB: (although many venues across Cheshire, this is a major area needing growth across the UK- only around 5 internationally renowned equestrian events in UK (compared to France with over 250)

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69 PEGASO (1997) ‘European Equestrian Sector Market Research: Cheshire’ (p.15)
**Chester Races (CW&C)** is the UK’s oldest racecourse and holds numerous flat racing meetings over the calendar. The following statistics provide direct expenditure at the racecourse, but the secondary impact on businesses in the area is estimated at £1.2million for a Saturday race day 85 staff are employed FT, swelling by temporary staff of 1000 on a race day.

**2010 Attendance Figures**:  
May Festival 65,000  
Roman Day 24,000  
June w/e 41,600  
July w/e 50,544  
August Fun day 43,144  
Summer Festival 25,150  
Autumn Festival 24,412  
Chester Finale 20,004  
**Total 293,794**  
This is a growth of 12% from 2009.

The average expenditure per visitor for the events is £141.66 which provides a gross on-site expenditure of £41,618,858. Clearly, the racecourse is also host to many private conferences, balls, polo events and receives sponsorship and television rights which also provide sources of income.

The economic impact of The Arley House Trials, The Chester Horse Show and Bolesworth (CW&C) estate is reported in more detail in a study by ‘Arts about Manchester’ (2009). This study estimates the visitor expenditure on/off site, the impact of employment and the visitor reach. Shown below in figure.22.

The study also discusses the induced spend of the audience which increase their gross spend above the level depicted in the table above. However, due to the level of tourism coming from outside of the county; leakage estimates are also made giving a total (for these three events) contribution of £1,035,556 to the Cheshire economy. These events account for only a small proportion of the events in the county. This study shows that the audience spend can be a significant amount. This is seen especially at Bolesworth, and to an extent, Arley. As the transport infrastructure is not as strong for these locations, spectators may spend a longer time in the area. Furthermore, the visitor demographic would tend to be

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70 Chester Racecourse - [http://www.chester-races.co.uk/history](http://www.chester-races.co.uk/history)

71 ‘Arts about Manchester’ (2009)

72 ibid

73 ibid
horse enthusiasts, whereas many of the racing events at Chester Races have a greater widespread appeal to the public, although this particular event (Chester horse show) is show-jumping.

Based on the Chester Horse Show, a show jumping event held annually over 3 days in July, the gross off-site impact of spending can be estimated at 4.8% of the on-site spend. That said, the revenue figure for Chester RC events (£41,658,858) is expected to induce gross off-site spending to the tune of £1,999,625 annually. However, the data from this study indicates the extent of leakage of both the on-site and off-site expenditure, as 60% of exhibitors are from outside Cheshire. Assuming 75% of their earning are leaked (60*75), 45% of on-site expenditure is leaked (shown below in the net impact). They also make similar estimates for the off-site expenditure based on the origin of the visitors. In addition displacement means that the reduction to on-site expenditure is 555 and off-site 52.3%. This can be seen below.

Applying this to the figures at Chester (assuming a similar demographic for each of their events) the on-site revenue for 2010 would be £18,746,486, and off-site revenue £973,817.
FIGURE 22 – Expenditure at Major Events in Cheshire

<table>
<thead>
<tr>
<th></th>
<th>Arley</th>
<th>Chester</th>
<th>Bolesworth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment</td>
<td>46.9 FTE</td>
<td>10%</td>
<td>42.2 FTE</td>
</tr>
<tr>
<td>Volunteer support</td>
<td>£1,174</td>
<td>10%</td>
<td>£1,543</td>
</tr>
<tr>
<td>Visitor Reach</td>
<td>68% Cheshire</td>
<td>n/a</td>
<td>68% Cheshire</td>
</tr>
<tr>
<td>Visitor numbers</td>
<td>8,000</td>
<td>n/a</td>
<td>8,000</td>
</tr>
<tr>
<td>Audience spend on-site</td>
<td>£530,000</td>
<td>55%</td>
<td>£238,582</td>
</tr>
<tr>
<td>Audience spend Off-site</td>
<td>£186,318</td>
<td>95.80%</td>
<td>£7,852</td>
</tr>
<tr>
<td>Exhibitor spend Off-site</td>
<td>£16,348</td>
<td>40%</td>
<td>£9,809</td>
</tr>
</tbody>
</table>
Focus on Kelsall Hill events (CW&C)

British eventing pulls in between 500 and 540 competitors with each on average bringing 3 to 4 people in their party. The events require 120 volunteers per day and then spectators. Totaling 3000 attendees weekend. Competitors come from the M6 corridor down to London, some from Scotland, and the North of England.

For the Novice Championships, there were over 600 competitors from 180 different pony clubs from all over the UK including Ireland, Isle of Man, Cornwall to Orkney; attracting approximately 5000 over the weekend. This has quite a big effect on the local economy as all but the locals stay, some camp or are in their lorries but many use local accommodation/pubs and they have 250 stabling on site.

The other events:

CHSPA ODE: 150 horses plus associates
DFRC HT: 150 horses plus associates
AREA 3 ODE: 150 horses plus associates
EGB: over 100 participants over the weekend with approx 30 stabling

But spectators are limited for these as they are mainly club run events.

Focus on South View Arena events (CW&C)

In 2010, they will have had approximately 140 days of competitive equestrian events, training clinics or displays (mostly competitive events). These are predominantly BSJA affiliated show jumping but also unaffiliated show jumping, BD affiliated and unaffiliated dressage, showing, combined training, arena eventing, and polo (limited). They have also been given the last event before the Olympics 2012 for Showjumping the Showjumping Classic – this was previously held at Chester Racecourse but Cheshire has maintained their tenure of the event. This is an excellent draw and will place the Olympic spotlight on Cheshire, including many of the major contenders for medals in London.

The aforementioned figures do not include hire of facilities by private individuals, nor smaller scale riding club competitions, nor training events. There are also events such as the Shire Horse auction which is held annually.

Most attendees are active competitors and their supporters and helpers. At a typical 'normal' senior affiliated jumping competition there are perhaps somewhere between 40-90

74 Kelsall Hill - [http://www.kelsallhill.co.uk/](http://www.kelsallhill.co.uk/)
competitors taking part who would probably bring c.2 people with them each as an average. Junior events are much smaller scale in terms of number of competitors but there may be more 'hangers on' attached. Having said they are smaller, we do have one event - a four day event this year with over 350 pony/rider combinations took part throughout.

There are usually few 'general public' spectators at most events. Entry is free, and as they can't afford to advertise publicly - the promotion is largely on the web site, on equestrian event sites, by mailing lists. Hence it’s difficult for anyone not an active rider and not a member of such organisations to know these things are going on.

There are c.10 staff / volunteers /affiliated officials in attendance to run a 'typical' show - a bigger show would require double that sometimes. Dressage shows have about 20-30 competitors who often come alone. So perhaps just ten or so people coming along in addition who are not riding. Roughly 2-3 officials of British Dressage and 4 of our own 4 staff and volunteers on the day.

Showing shows tend to be run by third parties; this type of event often has more spectators, but again they are mostly directly connected to the competing participants. There would typically be about six south view staff at such a show, the organisers might have 20 or so volunteers judges and officials. Competitors, spectators and helpers account for around 100-300 per day.

2011 numbers should continue to grow - when the centre was purchased it had been allowed to run down significantly. Now it is one of the eight premier competition centres of the country. The competitions currently serve the North West predominantly with several events per year having national appeal (one drawing a large Irish contingent to attend). A pertinent aim is to host some International events for 2011 and 2012

1.2.7 Veterinary care

There are 10 equine veterinary practises within the CW&C boundary and a further 13 within an approximate 15 mile periphery of the boundary. Leahurst provides a centre of expertise and high tech facilities which draws referrals from all of these practices, and nationally (as the data will show later).

1.2.8 Equine Suppliers & Businesses

Numerous local business form equine supply chains in both privately maintaining horses and running equestrian centres; ranging from saddlery’s and tack shops, feed merchants, riding schools and livery yards, and construction companies constructing the landscape and
Hardware of equestrian activity. The breakdown of different businesses below provides an accurate number of the different types of businesses in CW&C and a 15km periphery:

- Equine suppliers - CW&C - 17 and periphery - 14
- Feed merchants – CW&C – 5 and periphery – 4
- Riding Schools – CW&C – 16 and periphery - 16
- Livery yards/stables – CW&C – 35 and Periphery - 50
- Construction – CW&C – 14 Periphery – 12

**Boundary challenge**

A challenge is apparent when trying to value the equine economy to CW&C. On a local level, the consumer behaves independently of the county boundaries; e.g. the most northern point of CW&C is closer to Merseyside to the southern point of CW&C. Likewise external customers may use the facilities and businesses in the county. This does not pose a problem as is technically equine expenditure within CW&C; but with CW&C residents going elsewhere this would not capture the full extent of expenditure by the CW&C populace on equine activities.

**1.2.9 Tourism**

In accordance with the data given in the International Passenger Survey of the National Statistics Office, 340,000 foreign visitors visited the County of Cheshire in 2005. In contrast, national tourists made 1.4 million trips to Cheshire. These figures place Cheshire as the third county in the region receiving international tourism, but the last as far as the number of national tourists is concerned. According to the same sources for each case, the volume of expenses of the foreign tourists amounted to 92 million pounds for Cheshire, while national tourists generated an income of 230 million pounds.

**1.2.10 - Employment**

It was not possible to collect accurate data from all of the businesses and institutions to assemble a picture of the employment in Cheshire’s equine sector. However Defra (2004) estimate that for every 5-7 horses, one full-time job is created. To that end there would be roughly 6,473 people employed by the sector in Cheshire (2,847 in CW&C)

77 Pegaso (1997) (p.28)
1.2.11 Skills/Knowledge Base

**Leahurst**- Has a reputation for its expertise in colic treatment; cancer treatment- using a radioactive technique which attracts customers nationally; MRI unit which is the only offering of this service in the North of England and Ophthalmology which also has a very good reputation.

However, some cases of Orthopedic nature are lost to Newmarket as they have specialists in the area (they have 2 hospitals of a similar size to Leahurst in a small town). Leahurst is currently looking to tap into this market by recruiting a Internationally renowned specialist in this field.

This may be reflected in the data regarding the proximity of referring practices and clients shown below (fig.23).

<table>
<thead>
<tr>
<th>Area</th>
<th>Number of Clients</th>
<th>Number of Referring Practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cheshire West &amp; Chester Total</td>
<td>239</td>
<td>8</td>
</tr>
<tr>
<td>Cheshire East &amp; Periphery (approx 15 miles) Total</td>
<td>494</td>
<td>19</td>
</tr>
<tr>
<td>Outside Area Total</td>
<td>2168</td>
<td>256</td>
</tr>
<tr>
<td>Grand Total</td>
<td>2901</td>
<td>283</td>
</tr>
</tbody>
</table>

**FIGURE.23 Source: Leahurst**

Leahurst is part of the veterinary school (University of Liverpool) as uses its wealth of private cases to enhance the quality of teaching and experience for their students. Leahurst also has a first opinion vet practice (3 vets) on site which offers an ambulatory service.

(I have approximate costs for each of the veterinary procedures which could be applied to determine the expenditure on vet care at Leahurst)

**Reaseheath** – Despite falling outside the CW&C boundary, provides a diverse offering with considerable impact in education and events. Furthermore, the enterprise delivery hub (EDH?) looks to assist business, and is not restricted to Cheshire East- therefore is likely to have assisted many developing businesses within CW&C.
Reaseheath offers various equine-related programmes at different levels of certification:

- BSc (Hons) Equine Science
- Foundation Degree (FdSc) Equine Science and Management
- Foundation Degree (FdSc) Equine Science, Complementary Therapy and Natural Horsemanship
- University College Foundation Certificate (UCFC) Equine Science and Management
- University College Foundation Certificate (UCFC) Equine Holistic Management and Natural Horsemanship
- Level 3 Extended Diploma in Horse Management
- Level 2 Diploma in Horse Care
- Croft End Equestrian Centre – Level 2 Diploma in Horse Care
- Foundation in Horse Care Level 1
- Apprenticeships in Horse Care
- Advanced Diploma in Environment and Land-based Studies

Reaseheath also has a large equine centre with an indoor arena and spectator seating and acts as an equine academy in supporting the more advanced riders. In addition it is listed as one of the approved training camps for London 2012 although securing a team is uncertain currently. (Chester racecourse, Kelsall Hill and Somerford park are also listed.)

**FARRIER TRAINING** - The nearest College where the farrier Apprenticeship Course is offered would be Myerscough (Myerscough Hall, Bilsborrow, Lancashire, PR3 0RY). Although there are no CW&C centres to complete the apprenticeship, many aspiring farriers learn their trade underneath an established farrier for several years and then complete the qualifications at a registered institution. It is not therefore a priority to provide local facilities for farrier training, but in the long term, significant growth in equine activity may necessitate this.

**RDA** - Riding for the disabled association has 6 affiliated groups in the Cheshire region. These tend to be riding schools and stables (counted above) who are certified by the RDA. The extent to which this provision meets the needs of the disabled demographic is discussed in the analysis of Sport England’s APS data – the RDA’s ability to provide accessibility for disabled riders is constrained by the resources they have; there is a very long waiting list.

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Reaseheath Equine Courses - [http://www.reaseheath.ac.uk/wordpress/?page_id=1437](http://www.reaseheath.ac.uk/wordpress/?page_id=1437)
**Bridleways Network** - 300km of Bridleways across Cheshire (this is illustrated in the bridleways layer on my GIS map), including a 22 Delamere loop for horse riders. However, there is a lot of unhappiness regarding the bridleways network in Cheshire, raised especially from Endurance group members at the focus group and BEF event. There is discomfort with the accessibility and safety of the bridleways, many of which are close to A-roads.

**Racewood** - First Racehorse Simulator, established in 1990, they have continually added and developed their products:\(^79\):

- Trotting Simulator 1995
- Cantering Simulator 1995
- Advanced Racehorse Simulators 1996
- Polo Pony Simulator 2000
- Riding Simulator 2005
- Ridemaster 2007 (interactive)
- Racehorse Simulator Mk9 2007 (interactive)

This is a niche, innovative product which has recently been displayed at the Equitana in Melbourne. They are located in Cheshire West & Chester’s Tarporley.

**Horse auction** - Wright Manley equine auction is responsible for sales of 200 horses monthly as well as 3000 lots of tack & saddles\(^80\). This takes place at the Beeston castle auctions in Tarporley (CW&C).

**Specialist trainers** - From the directory, there are 7 licensed race Trainers based in Cheshire; however this figure does not take into account any Permit Trainers in the area, who do not hold a public license and therefore whose details are not available to the general public. There are 11 equestrian trainers registered on the Cheshire Horse directory, although many other

There are no large horse-breeding operations in CW&C, although there are some small breeders with between one and four stud-horses. It is interesting to note that the experts interviewed stated that Cheshire has the second largest horse population in Great Britain, which corresponds with the high number of owners of these animals and that their principal

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\(^{79}\) Racewood- [http://www.racewood.com/](http://www.racewood.com/)

\(^{80}\) Wright Manley livestock/bloodstock- [http://www.wrightmanley.co.uk/agricultural-livestock/index.asp](http://www.wrightmanley.co.uk/agricultural-livestock/index.asp)
use is for leisure\textsuperscript{81}. This could provide a significant area for growth in the region as huge fees can be commanded.

According to BEF data, there is still no breeder in Cheshire certified by the BQM. This may be due to a lack of care in horse breeding processes in the area in recent years, and the process of adaptation therefore proving to be slow.

The main conclusion highlighted during the discussion group meeting, regarding horse breeding in Cheshire, is that there is no indication of the possibility of turning stud farm facilities into added value (a very tight-lipped sector) as tourism attraction.

There are no large horse-breeding operations in CW&C, although there are some small breeders with between one and four stud-horses. It is interesting to note that the experts interviewed stated that Cheshire has the second largest horse population in Great Britain, which corresponds with the high number of owners of these animals and that their principal use is for leisure\textsuperscript{82}. This could provide a significant area for growth in the region as huge fees can be commanded.

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### 1.3 Value of the Equine economy

The author estimated the horse population of Cheshire as 38,623. The majority of horses will be owned for leisure and sport purposes, with many riding in affiliated events but very few at a professional standard. The cost of keeping a horse has spawned numerous studies and data collection, and is a subject which is very much determined by the individual owners and horse. Size, age, level of competition of the horse and location will all influence the cost of ownership. In the table below widely differing estimates are presented by BETA (British equestrian trade association), BHS (British Horse Society) and The North Lancashire Bridleway Society. BHS presents varying cost depending on the level of livery. These figures

\textsuperscript{81} BETA (2006) (p.5)  
\textsuperscript{82} BETA (2006) (p.5)  
\textsuperscript{83} Pegaso (1997) (p.29)
exclude initial investment and purchases that are not necessarily an annual expenditure, such as tack.

Cheshire Riders (2006) estimated the equine sector to contribute between £140-200m to the Cheshire economy\textsuperscript{84}. Using my estimates below expenditure would be approximately £352 million currently on an annual basis. This uses an average cost of looking after an equine calculated from the various figures provided below.

Factoring in the expenditure at events, one must start at Chester Racecourse, which the author has estimated to contribute 18.75 million in on-site spending and just shy of 975,000 in off-site spending to the local economy. Including the ‘on’ and ‘off-site’ expenditure at all other events, including the prestigious Bolesworth classic, the value of the economy or (equine GDP if you may) is approximately £400 million. Further additions need to be made to encompass all aspects of the sector- expenditure at all other events; the professional sector, which although smaller will involve greater expenditure per capita, holiday tourism (equestrian escapes), and the expenditure on employment. I have gone some way to collecting and estimating the total number employed in the industry and comparing with ONS stats for the agriculture sector and the region as a whole. This will help to determine the proportion of the economy which is equine related.

Using the estimate by Andersson & Johansson (2004) that each horse creates 5000 – 12000 Euro benefit per year this would suggest the contribution of the horse population would be between 193,115,000 and 463,476,000 Euro. This is would be approximately between £171.6 million and £411.8 million. This excludes the impact of events and tourism that have been included in my £400m estimate and the omitted high-level breeding industry expenditure.

<table>
<thead>
<tr>
<th>Study *adjusted for inflation to 2009</th>
<th>Cost of looking after an equine</th>
<th>Estimated value to equine economy (based on 38,623 horses)</th>
</tr>
</thead>
<tbody>
<tr>
<td>BETA(2006)*</td>
<td>2,255</td>
<td>87,094,865</td>
</tr>
<tr>
<td>BHS(2004)*-Full Livery</td>
<td>13,175</td>
<td>508,858,025</td>
</tr>
<tr>
<td>Part Livery</td>
<td>11,539</td>
<td>445,670,797</td>
</tr>
<tr>
<td>Working Livery</td>
<td>10,328</td>
<td>398,898,344</td>
</tr>
<tr>
<td>North Lancashire Bridleways Society (2009)</td>
<td>8,288</td>
<td>320,107,424</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>9,117</strong></td>
<td><strong>352,125,891</strong></td>
</tr>
</tbody>
</table>

\textsuperscript{84} North Cheshire Riders (2006) - \url{http://www.northcheshireriders.webs.com/}

Sam Favager – University of Liverpool & CW&C Council
1.4 Chapter 1 – Summary

This chapter has provided an introduction to the scale and diversity of equine activity across, Europe, the UK and our focus Cheshire West & Chester. It is clearly an area with concentrated activity, boasting approximately 17,000 regular active participants and a similar number of horses, not to mention the vast number of people employed, owning business or indirectly affected by the sector. To that end, it is estimated to contribute £400m annually to Cheshire as whole.

Demographic and market segmentation analysis has shown congruence with national trends – a sport predominantly dominated by females and those from higher income brackets. Furthermore, the most common group is those recently graduated females, many of which stop participating as they grow older due to family/work commitments.

This provides a knowledge foundation, which the following Chapter will look at potential examples, and catalysts for improvement to this already flourishing sector.
Chapter.2 - Establish drivers for change

2.1 Industry Benchmarks
More specifically, using industry benchmarks highlights the challenges in developing an equine cluster. In citing international best practice in developing the equine economy, it is valuable to look at several different cases; Normandy, Kentucky, and Newmarket in the UK have all shown expertise and will be looked at to provide guidance for Cheshire. Newmarket has a specific pedigree in Horse racing and thoroughbred breeding and will provide a domestic case study. Aachen held the World Equestrian Games in 2006, Kentucky in 2010 and Normandy is set to follow suit in 2014. Great Britain lies second in the all-time WEG medals table, second only to Germany and in a group of 5 with significantly more medals than the majority (also includes the US, Netherlands and France). Despite this, the World Equestrian Games (WEG) has not been held on these shores. Sweden and Italy, who have 2 and 0 gold medals respectively, in contrast to GB’s 12, have played host to the games. Great Britain has the infrastructure to hold major sporting games (Olympics 2012, Euro ’96, Commonwealth Games, 2002). Clearly the equine facilities and reputation need to improve in line with our performance in this area. Cheshire could prove a major contender in such a bid.

2.1.1 Normandy Equine Cluster (France)

Normandy is set to host the World Equestrian games (WEG) in 2014, an international spectacle with huge benefits to the region economically. It attracts 600,000 in ticket sales, 460 million TV viewers worldwide and with over 60 countries represented- putting the international spotlight on Normandy.

Like Cheshire, Normandy is split into two administrative boundaries; Lower and Upper Normandy. However the region is significantly larger geographically and in terms of population, covering 30,327km2 with a population of roughly 3.2 million. In comparison, Cheshire has only a population just over 1 million and a geographical area of 2,343km2. Bass-Normandie is the area bidding for the 2014 WEG and has a population of 1,453,000 in 17,568km2.

The equine industry accounts for 10,000 direct jobs in Bass-Normandie for breeders, vets, trainers, stud farm staff and betting employees concentrated in the 17,568km2 area. This region is much more sparsely populated than Cheshire West & Chester (82.6/km2 compared to 358/km2) and the scale of the activity in CW&C is substantial relative to the area it covers.

85 World Equestrian Games - WEG medals - http://www.alltechfeigames.com/

Sam Favager – University of Liverpool & CW&C Council
**Facts about Normandy**

- France’s leading horse breeding region with 10,000 births per year
- 4,400 companies
- 8,300 horse breeders
- nearly 100,000 horses
- 40% of French racehorses bred
- 20% of sports horses and 60% of winning horses bred
- nearly 1,000 stallions siring half the thoroughbreds in France
- 238,000 hectares devoted to equine, 300 racecourses, 200,000 federation members, 4,000 events per year and 620 million EURO in sales.

This is a substantially bigger region and clearly has a pedigree for elite breeding. In terms of the scale of the industry—these figures highlight the potential for CW&C which has much greater density of equines/km² in comparison. However, much of the scale and growth is embedded in the professional sector, rather than leisure (which is prominent in Cheshire). This cluster which has developed in Normandy has been orientated around four main sites; Saint-Lo (race horses), Haras du Pin (training, tourism and equestrian events), Deauville (racing) and Caen-Goustranville (research and innovation). It is clear that much of its growth and appeal lies in the breeding sector which attracts investment and provides many jobs, but this stimulates the events and thus tourism. This model using several hubs of activity for different equine sectors could be applied in CW&C but I feel its potential may mature and the number of participants reach a plateau if no further internationally recognized events or breeding activity can be attracted to the region.

In terms of the breeding scale, Bass-Normandie covered 16,734 broodmares in 2008 compared to just 2,145 in Haute-Normandie. As previously stated, the majority of these were elite (4,338 thoroughbreds and 4,222 sport horses). Its fertile soil and abundance of rich green grass are a major attraction to all types of breeder. Of the 7,622 breeders in Haute-Normandie, 5,611 only have one mare—showing the many smaller scale breeding operations. This region is by far the most significant in France, accounting for 37% of national breeding activity. In terms of stallions, 7041 were standing at stud last year with

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88 www.frenchentree.com
breed-type comprehensive; thoroughbreds, Arabs, fjords, ponies, donkeys etc. In addition the *salon d’étafon* acts as an annual ‘shop window’ at the national stud\(^89\) so breeders can see the stallions riding and talk to their owners. This is an event which does not happen in the UK and could be of great future potential for Cheshire. In having such an event, this would surely acts as a natural attraction for breeding operations which in turn create and increase the demand for veterinary services, farriers, feed and tack supplies. It is through these means, the equine economy can grow.

Furthermore, Normandy has two of the most prestigious National studs in Europe\(^90\) - the aforementioned *Haras Du Pin*, and *Saint Lo*. Both of which attract many equestrian events, race meetings and demonstrations throughout the year. In total there are 22 national studs in France, in contrast to the solitary national stud in Newmarket in the UK. This is an infrastructure which is not in place; whether the development is worthwhile i.e. the domestic and international markets for UK bred horses have unsatisfied demands is uncertain, but the French breeding system acts on more than a business model. They aim to ‘promote and develop horse-breeding and activities related to horses, in partnership with public and private bodies’ \(^91\) whilst endeavoring to sustain the breed diversity throughout the country; there are 41 types currently. This is a decentralized system which allows certain areas concentrate on specific breeds or sports, whilst maintaining a national balance. Managing Director, Christian Ferte describes them as making ‘skills permanently available to horse breeders and users in every region. They contribute to a policy of balanced national land management by providing high quality technical support services’ \(^92\). Haras du pin acts as the hub of thoroughbred breeding hub, similar to Newmarket in the UK, a venue which attracts copious tourists as well as prospective breeders. Elsewhere, Deuville is synonymous with yearlings, La Riviere for the Anglo-Arabian breed and Correze for pure bred and draught horses.

In terms of organizational structure, the Normandy cluster has 68 members- 35 companies (of which 98% are SME’s), 9 local authorities, and 24 centres of excellence including veterinary centres and Universities\(^93\). 10,000 people are employed in the cluster which breeds 92,000 horses annually; has 6 research centres; 13 training institutions in horse-related professions; 31 racecourses; 523 trainers and 100,000 horses using 200,000 ha of land. This breeding attracts International attention, an area which the cluster has been developing linkages also.

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\(^90\) www.frenchentree.com

\(^91\) www.frenchhorseandcountry.com

\(^92\) ibid

\(^93\) Invest in France Agency (2010)
Partnerships have been developed with the Lexington cluster in Kentucky, in an attempt to learn from hosting major events and exchange tourism and The University of Liege, Belgium for veterinary science. Furthermore, they have participated in European programs for horse disease; breeding projects with other European countries; a trade show in Spoga, Germany and developing export missions to South Africa, Middle East, China and the UK.

In order to strengthen ties and glean important lessons, a 100-strong team from Normandy travelled to Kentucky for the 2010 World Equestrian Games. This trip also looked to promote tourism to the people of America and the WEG tourists, and also provided an experience in how to turn WEG into a legacy that will have a significant and lasting effect on the economy. This could be a way in which CW&C can promote the diverse and concentrated equine offering it has to the international or national community at these events.

2.1.2 Kentucky, USA

‘Kentucky’s horse industry represents what Harvard Business School economist Michael Porter calls a cluster’[^94].

This has developed because of the land resources it has at its disposal, the fertile soil, mild climate and adequate rainfall; all characteristics which could be apparent in Cheshire.

The core of this cluster seems to revolve around thoroughbred breeding which is lucrative and thus provides much employment. The number of horses kept for leisure is much greater but does not put Kentucky on the map and is only financially beneficial on a small scale and to the owners themselves. This has attracted entrepreneurs and businesses to support this cluster which in turn has further reinforced the demand and attracted skilled labour; fostering an innovative environment. This coexistence of competition and co-operation is what creates the emergent benefit of the cluster.

However, Kentucky saw a decline in the standard bred stem of its cluster in the early 00’s as it did not receive enough attention. Thoroughbred industry is now the focus of attention and attempts are being made to maintain its edge in this field. Hosting the 2010 WEG definitely helps, and the legacy from the games should be able to maintain the interest and investment in equestrian sport.

[^94]: Bluegrass Digest (2009) ‘Conceptualizing the Kentucky Horse Industry as an Economic Cluster’ - [http://www2.ca.uky.edu/equine-files/EconomicClustersFINAL.pdf](http://www2.ca.uky.edu/equine-files/EconomicClustersFINAL.pdf)
Facts about the Kentucky cluster

- 20% of horses used in racing (supplying 46% of economic impact of equine industry)
- 80% of horses for pleasure and show (supplying 54% of economic impact)
- There are roughly 300,000 horses in Kentucky across an area which covers 104,659 km²
- Kentucky has a population of 4,314,113 (2009)
- Total participation (including employees of 194, 275 – figure.24)

FIGURE.24 - Source: kentuckyhorse.org

This again shows a much larger region to that of CW&C, with a substantially larger population. The smaller proportion of thoroughbred horses in this cluster highlights the potential for development in Cheshire. Kentucky has been muted the horse capital of the world and has a pedigree in race horse breeding since the 18th century. The soil of the Bluegrass Region is rich in calcium, leading to the stronger and more durable bone suited to racing. The scale of standard bred breeding has dropped off significantly, and there are worries about the racehorse breeding following suit.

http://www.kentuckyhorse.org/
As was previously mentioned, Cheshire’s activity is much more concentrated (population density considerably greater than Kentucky too - 39.27/km²) and the number of horses per area is greater than both of these regions. What can be gleaned from this are the importance of breeding and the attraction of investment and expertise that this creates.

In hosting the WEG, a 120-acre ‘Kentucky Horse Park’ was developed. This is a man made physical sectoral cluster - holding 30 national and regional organizations; museums; stabling for 1100 horses; farmland pastures which can cater for 100 horses, and acclaimed facilities for dressage, show jumping, cross country and steeplechase\textsuperscript{96}. Its ability to host events in all of these disciplines attracted many visitors from outside of the state as well as the Kentucky residents. In Korstein & Coomes’ (2008) study of the horse park’s economic impact\textsuperscript{93}, 935,000 people attended in 2007, of which roughly half were unique visitors and of that, half (a quarter of the total) were from outside of the state\textsuperscript{97}. This ability to attract outside visitors is said to be the ‘most important single factor in measuring the economic impact of these events’ due to the spending on accommodation, food and other tourist activities in the local area surrounding the event - which accounted for 66% of the revenues of the KHP in 2007. In addition, estimates of spending on goods and services in the local area were expected to be a further $43m in the year. Events attracting a significant ‘foreign’ audience also increase the national and/or international exposure and likely media attention. This in turn increased prize money and the stature of the event. These figures represent the impact the KHP can have in a non-WEG games year - estimated to be $93m (including multipliers), contributing 1,370 jobs which is expected to increase significantly due to the exposure of the games. Not only has this physical cluster provider a great fiscal impact and a multitude of jobs, but provided excellent facilities for the local residents to use all year round. Although ambitious in the need for large scale investment in facilities, the huge economic benefits of International events is clear. In developing action points for Cheshire, some focus must be placed upon raising the profile of the events calendar to tap into these benefits.

The policy implications of trying to achieve clustering will be discussed in the literature review (chapter 5), but the attraction of large scale events needs public support which may not be available to Cheshire, but if made could provide a worthwhile return. With respect to state subsidy for the KHP, $2m is received annually but the return in tax revenue is worth triple this amount to state and local governments\textsuperscript{98}, let alone to the employment and income it provides in the area. This is a good example of the benefit of public funding. This large agglomeration would require many or large investors privately, but when organized

\textsuperscript{96} Korstein & Coomes (2008) (p.4)
\textsuperscript{97} Ibid
\textsuperscript{98} Ibid
publicly can deliver many benefits to society profitably. This is the case with the Rolex Kentucky three day event. However, the study also points out that all events do not explicitly have such a notable effect on the economy - different events attract a different client base, local or external, with different spending patterns. Those with an international appeal attract a non-Kentucky audience and carry greater benefits as discussed above.

In terms of readying the KHP for the WEG, significant further funding was required to develop the facilities. Local Newspaper Lexington Herald-Leader stated estimates of $70 million in private funds required to run the games were also heavily added to by the state. This is a considerable amount of funding which would require confidence that the facilities would be fully utilized all year round, not just for the WEG. In addition, the Herald-Leader analysis found ‘more than $107 m in state, local and federal money has been spent on improvements at the KHP and other infrastructure’. Also $151m was spent on expediting already planned project to get them ready for the games. It is important when citing to pros and cons of the large scale public spending in bringing the WEG to Kentucky to consider the concerns of wider society and the distribution of this spending. In the same Herald-Leader article, it was voiced that the state spending on the event was focused on the wealthy ‘Golden Triangle between Lexington, Louisville and Northern Kentucky’ and did not have a positive impact on those outside of this Fayette region. We must consider this inequity in the distribution of funding when determining the future strategy for Cheshire’s Equine sector. What proportion of the Cheshire populace will be affected directly, or indirectly, by large investment in the sector?

Aside from the one-off event of the WEG, the facilities developed in Lexington have helped attract events that would not otherwise be within reach. In this sense it is difficult to attract the WEG without high profile events, but when the facilities have been developed for the WEG, these events are much easier to stage.

Applying this model to Cheshire may not be feasible. The incumbent major hubs of activity are well established and spread out geographically. Furthermore a built-up business park is unlikely to meet planning regulations, especially on green belt land, and the distribution of private ancillary businesses across the county serve to meet local markets for horse owners. Developing event venues would surely increase the demand local to this but the nature of the sport as predominantly leisure and ‘a luxury’ means those who can afford it desire their own facilities or those nearby; not on a business-park style estate. In addition, this is detracting further from the natural environment a horse owner with welfare concerns would want them to live. Centralised facilities could create a good training base or centre of excellence around a stud farm for example; this could help meet the labour market needs of the businesses in the area.

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99 Bluegrass Digest (2009)

Sam Favager – University of Liverpool & CW&C Council
In terms of the full economic benefit, an in depth study has not been commissioned since the games were held in 2010 and the tourism benefits are unlikely to be realised until the summer and years to follow. NBC broadcasted 6.5 hours of the games; Universal sports 30 hours and local area cable coverage in addition to printed media attention. This could paint Kentucky as an attractive destination to the wealthy equine tourist demographic.

Although Kentucky has developed a ‘physical’ cluster of equine businesses and venues, very different to that which would be feasible in Cheshire, it is clear to see the interlinkages within the equine sector which can create agglomeration economies. This has created many jobs and attracted a lot of equine tourism to the region.

2.1.3 Newmarket

Newmarket has an international reputation for horse racing and breeding of thoroughbred horses.

This area provides a pertinent domestic case study of an area which has sought to build upon its equine activity. The East of England economic strategy has highlighted the wider benefits of an equine cluster in this area. Newmarket is the hub of activity in this area with ancillary businesses and equine health care (vets and farriers). In terms of international appeal, breeding adds to the attraction already provided by the racing activity at Newmarket.

A global breeding operation such as Darley- owned by HH Sheikh Mohammed bin Rashid Al Maktoum is an area of the sector which could see development focus in CW&C. Not only does this business provide significant employment in the area (figures), international acclaim attracts related businesses to set up nearby creating a multiplier. Darley is headquartered at Dalham stud in Newmarket, originally having only one stallion and ten staff in 1981 has grown to have stallions in six countries worldwide. They have also attracted exposure from world media through their association with outstanding horses. This helps to attract further clients, necessitating a greater number of support staff. It would not be unreasonable to assume that expertise across many fields would be attracted to the area as a result; vets, farriers and trainers alike.

In terms of equine health care and education the area also provides exemplary standards. This is a key support mechanism to breeding operations and racing events which can stimulate the demand and creation of such businesses.

Newmarket Equine Hospital is the largest facility of this nature in Europe. This is located in a pivotal position between the racecourses, stud farms, training grounds and stables for good

accessibility to its market. In contrast, Leahurst is located at the northernmost point of CW&C, near the Wirral border. Newmarket is also home to the ‘British Racing School’ which aims to develop aspiring jockeys as well as provide training and facilities to the elite at the pinnacle of racing.

2.2 Olympic 2012 Legacy

Hosting the major multi-discipline international event such as the Olympic Games provides huge opportunity for the future of sport in the country. Although the focus of the world’s media, audience and sporting elite provide a fruitful future for the country, it is crucial to harness the exposure and investment to best suit grass roots, the elite and spectators of sport within the country. Plans are in place to use the London Olympics in 2012 the increase opportunities in the following years.

Equine legacy

- How this will be a driver for change – boosting activity, creating facilities and growing interest in the sport
- Work in maintaining ‘Hoof London’ brand through Hoof networks to deliver participation increase programmes in equine sports following the Olympics.
- Do not want the games to stimulate interest for 6 or so weeks in 2012 during the games; rather maintain their interest and become active in the sport.

Hoof London - BEF (British Equestrian Federation) commitment to the legacy. Dedicating 750,000 to making horse-riding more accessible to Londoners- including a riding schools programme for grass roots, investment into new and existing facilities and £200,000 in development of a new facility in Greenwich (where the equestrian events are held)\(^\text{101}\). This aims to increase awareness, and participation in riding and equestrian sport. Facilities from the games are temporary in Greenwich village- the legacy plans to build on the success of the games in stimulating grass roots participation. This is trying to avoid building huge permanent specialist facilities which would be unused; The Millennium Dome saga.

2.3 British Equestrian Federation - Plans to use participation as a driver for growth

Using Sport England funding from the Olympic 2012 Legacy, the BEF look to increase participation in equestrian sport (excludes racing and polo). Two thirds of the £4.2million has been channeled through the member bodies (of which there are 18); the BEF found this to be disproportionately allocated regionally, and each of the bodies had their own individual agenda which was not always geared toward increasing participation.

Consequently, they are developing regional networks to focus riding initiatives using the ‘Hoof’ branding used in London– the ‘North West’ network will be pioneered by Cheshire.

BEF are recruiting a voluntary chairperson to host quarterly meetings in the area– providing networking opportunities, helping drive collaboration; practical support for SME’s in law, health and safety and training; and offering bidding opportunities for projects which can aid participation. However, satisfying Sport England means meeting targets for participation for the 16+ age group, of which they target a 43,000 increase by 2013. In order to do this, market segmentation by region has been carried out to determine the most likely riders, and those targets groups which are best to target; this information is available in the public domain and is crucial to the marketing strategies of equine SME’s and those looking to meet the criteria for BEF funding. This information is analysed in further detail in the analysis of the Cheshire demographic.

Despite this narrow focus of their funding objective on the 16+ age group, the BEF will support initiatives that look for improvement in participation across the board. It is, however, important to consider all of the other drivers for growth of the equine sector, not only the participation but the need to align growth and ambition of businesses, facilities, education, employment, events, and the elite level provision in order to maximize the potential growth of the sector in the light of these participation targets.
2.4 Chapter 2 – Summary

Chapter 2 looks at case studies of areas which have thriving equine sectors already and have been successful in attracting significant events, breeding operations and funding to the area. These cases help understand what have been the drivers for change in success stories which may be applicable to this project.

Normandy is the classic case study, showing a national heritage – many national studs and a ‘horse council’ which has established it as a centre of excellence employing over 10,000 people in the area. This has created a great tourist appeal and has created many jobs in the region. Kentucky is a physical cluster which has been developed due to the critical mass already present in the area and as a successful bid to hold the World Equestrian Games. This model has delivered significant economic benefit but has relied heavily on public subsidy. This shows the benefits of an equine heterarchy, but the CW&C strategy is focused more upon the private sector led growth upon the strong foundations of Chapter 1.

The following Chapters will look at establishing the needs of the county and the concerns of local stakeholders in trying to achieve a level of success similar to that of these cases. Using relevant literature to guide policy, action points will be made that will develop on key themes, similar to those which we have learnt here from Normandy who have focused on four main physical sites; Saint-Lo (race horses), Haras du Pin (training, tourism and equestrian events), Deauville (racing) and Caen-Goustranville (research and innovation). This is a model which will be assessed against the needs and capabilities in Cheshire but is very centralized and requires a lot of investment in large facilities. Cheshire appears to be able to meet the current demand of its populace, so developing these facilities is not a priority. However, using the current resources more productively and suggesting initiatives to stimulate more interest in the sport could necessitate future large-scale investment, in which case these studies may be good examples to follow.
Chapter.3 - Assessment of necessary skills and resources

On the 4th April 2011, the research team hosted a presentation evening and focus group discussion surrounding the strengths and weaknesses of the Cheshire equine sector. There was a comprehensive cross-section of the industry present, providing a good insight into the various challenges they faced, both riders and business people. The following summary details the outcomes of the evening, the weaknesses will be addressed in the suggested initiatives and action points later in the report.

3.1 Strengths

- Racing Industry felt to be very strong - but still believed to be only two trainers who were competing at the top end of the sport. Donald McCains trained 'BallaBriggs' has recently won the 2011 Grand National.

- Breeding – number of stallions (although some outside of CW&C and even Cheshire) in the area and has seen an increase in demand in recent years. This is believed to be due to the strength of veterinary facilities in the area (Leahurst and numerous practises) and the increased cost of stock on the continent.

- Good transport infrastructure and a fairly central location in the UK. It has good motorway access and nearby airports. Manchester airport is particularly well equipped to receive horses. Road links with Ireland also good with ferries leaving Liverpool and Holyhead (both nearby) regularly.

- Linkages abroad- Bolesworth being twinned with a similar Irish event at a similar time, strengthening rider links. Prizes are on offer for those winning/performing well on both sides of the Irish Sea. This should help to attract more riders and exposure to Cheshire.

- Reaseheath College offers diverse education in many agricultural careers – equine studies through to supporting small businesses through the Enterprise delivery hub.

- Plenty of potential agricultural real estate for development.

- Strength in numbers – Cheshire accounts for a greater proportion of horses than it does the population and accounts for a much greater proportion of NGB membership than it does the population. 39,000 horses and 19,000 participants plus copious employment in the area in various forms. I estimate the equine economy to contribute roughly 400 million annually.
3.2 Weaknesses

3.2.1 Public/NGB support
- Planning system in CW&C is believed to be very difficult to work with. Claimed that Cheshire is one of the less responsive counties to equestrianism when trying to attain planning permission.

- Accommodation for a workforce is often a problem with planning- facilities may be granted permission but supporting accommodation (now a necessity to attract skilled workforce) is often rejected or difficult to achieve.

- Lack of support from NGB’s as Cheshire is located outside the perceived ‘hub’ of the country. The communication network seems to be very bad and a distinct lack of support. NGB’s often allow things to go ahead but are no enthusiastic or proactive in their support. Belief that they do not take Cheshire seriously – not actively obstructing new ventures but also not encouraging- making things more difficult.

- Equestrian development is seen as inappropriate in Greenbelt Policy (except on a very small scale). This may need to be lobbied for in current policy revisions. Belief that equestrianism should at least be considered in the same regard as any other agricultural presentation.

- Horses considered differently to other animals or exercise facilities and thus face higher rates which have to eventually be passed onto the consumer.

- Educational establishments with grant funding often hold events with zero VAT and many volunteers. This is good if aimed at increasing participation mainly, but may offer a cheaper entry for those already involved and impacts on the private events enterprises.

- No figurehead for Cheshire equine – may need a body such as a Horse Council with leader which can coordinate decision making and lobbying.

3.2.2 Events
- Need for a ‘tour’ to attract International riders/performers. Currently events in isolation. This may also be difficult in trying to find a gap in the season.

- Would it be possible to couple events at different venues (even if different disciplines) – from a tourist perspective this may offer a better package and an alternative to multi-disciplinary event (below)). This could include concerted
marketing, campaigning and promotion and help with leverage over NGB’s who are said to favour ‘the south’.

- NGB fees for events are fixed, as is prize money- this forces the hand of the venues in charging the spectators for entry, many of which are reluctant to pay to get into a venue which they would usually not have to- often coming up with excuses to get in free.

- Could be more flexible with prize money and entry fees (the latter reflecting the former) allowing spectators in for free to increase the appeal, interest and exposure of equestrian sports. Could find more creative ways of loading the cost of events (e.g. onto stalls) to make more attractive to spectators.

- VAT charged on entry fees. Is there any way of making this exempt to lower the cost and increase attendances.

- A multi-disciplinary event could make it a more attractive form of entertainment for outsiders to the sport- a growth in appeal could attract more media coverage. This could be happening in a way with Bolesworth’s ‘express eventing’ – a more diverse and dynamic event comprising mixes of equestrian disciplines. This could be more exciting for the non-equine spectator. (Just as the twenty20 variation of cricket has made it more accessible to the masses, and thus more commercial).

- Commentary of events in media is geared towards those already involved in the sport and tends to be jargon-heavy. This may make it difficult to understand for those new to/trying to get involved with the sport.

- Chester Racecourse is the oldest in GB and their lack of attendance at the focus group is a great weakness. Not only do they have a huge effect on the economy through secondary spend of tourists but support many local equine businesses. Having them on board as a focal point may also allow greater clout and an improved image when marketing Cheshire nationally and internationally.

3.2.3 Participation

- Accessibility of the sport difficult for those from lower income backgrounds. The image of the sport is that of an elitist and expensive past time.

- Need to extend inclusivity – both as participants and spectators in the sport.

- Parental buy-in is necessary to support the progressive of young children – buying a horse and getting a different horse to match their ability, age and sporting discipline. This may become increasingly difficult in the current economic climate.
Pony club originally provided a route for those with an equine background, whilst others went to riding schools. The group showed a concern at the death of ‘the riding school’ and how this could inhibit grass roots participation. IS THIS CORRECT?

Riding Schools face stricter health and safety regulations; coupled with large insurance premiums increase the prices and reduce the demand for them/create a financial barrier to those who are starting out in the sport.

Lack of media coverage of equestrian sport. Very little/no terrestrial coverage – difficult to expose those who are unaware of the sport.

3.2.4 Employment
- Manor House Stables struggles to get staff that are a) willing to work long hours and commit b) competent. They often have to recruit from overseas.

3.2.5 Opportunities
- Cross country rides have become increasing popular but this could become more organised to improve future growth and make it more lucrative – coordination between organising could create a more interesting programme and attract those from outside the area more regularly (some venues change the course and have infrequent slots, others are open for longer).

- Bridleway network could be extended and all public rights of way could be accessible to horses allowing greater universal access. This has been the case in Scotland.

- Making heroes out of horses – by glorifying the horse; turning them into celebrities it could increase the appeal of looking after/caring for the animal. Youngsters aspire to ride the horse, not to become the rider. More media coverage or spectacle could be made of the high-performing horses.

- Employment exchange in which the needs of industry are relayed to educational institutions so as to prepare the labour force for the requirements and skills they need.

- Media student to work on publicity of the sport – could involve regular press releases for different newspapers and magazines. Could also involve research into the set-up for marketing and publicity of equestrian sport abroad.

- Can CW&C provide publicly accessible facilities to increase involvement? Or ease the insurance/health and safety bureaucracy on riding schools?
- Increasing participation would organically have a significant multiplier effect on all ancillary equine businesses. Not only this, attracting the youth to the sport would mean they are more likely to pass on the interest to their children via in financial support. This lowering of the average age of participants should not only help achieve BEF’s participation targets but lead to more elite riders and Olympic success.

- Health/leisure agendas could help justify public investment.

- Events website to help cohesive thinking in the scheduling and promotion of events. This could be linked with tourism to create a vibrant equine package in Cheshire. This would hopefully attract more visitors and international riders. Exposure to facilities, vets and breeding operations may attract some to move to the area.

- Further networking opportunities. This equine focus event brought many people with ideas into one room, given a greater length of time they may be able to develop on these.

- There is a not a lack of facilities as such, just communication and support for what is already available in Cheshire. Large venues require huge investment and may become underutilised as well as mark smaller, current venues redundant.

- Cheshire Horse has a considerable traffic/following and a comprehensive coverage of equine activity in Cheshire, providing a great link between the business and consumer. This could be used to pursue more B2B communication and collaboration as well as B2C.

- Schools could introduce equestrianism in Physical Education or as a subsidised extra-curricular club.

These weaknesses will be targeted in the suggested initiatives and combined with some of the metrics to allow future measurement of the sector growth

**Providing for the Elite:**

A level of excellence, i.e. elite level/international riders brings prestige to the area and a level of facilities needs to match their ambition. Furthermore, developing the area to cater for these riders will improve the facilities and resources available to the equine community and attract more top level riders. Hopefully this will engrave excellence in the lifestyle of Cheshire and help to provide role models for young aspiring riders.

In the previous chapter the BEF vision of increasing participation targets the lower level performer, aiming to increase the sheer numbers of active participants. This will be
reinforced by the later ‘action points’ which target all ages of participant. Furthermore the necessary provision of semi-skilled labour (through education) and supporting capital projects will be covered. These issues appear to be the most prominent conclusions from the focus group and will form the nucleus of the initiatives.


3.2.6 Infrastructure

The above map (fig.25) shows the local road network and links with major cities Liverpool and Manchester, via the M53 and M56 respectively.

The major town in CW&C, Chester is accessible from all directions in the region and has easy access to Liverpool and Manchester via the M53 and 56 respectively. Regular ferries from Liverpool and Holyhead (North Wales) give access to Ireland and Manchester and Liverpool airports have International airports providing access to spectators; Manchester has facilities for equine transport and connections which reduces the need for long stem mileage from the South for International riders.
3.3 Chapter 3 - Summary

Chapter 3 concludes the focus group discussions with the local equine community. When prompted with the summary of Chapters 1 and 2, a discussed ensued surrounding the strengths and weaknesses of the equine sector.

It was agreed that Cheshire had many strengths around some of its high profile events and cutting edge veterinary facilities at Leahurst, but there were many problems – the accessibility for young riders, difficulty in establishing the profile of a new event, recruiting sufficiently skilled labour were among the concerns. These weaknesses will shape the future action points.
Chapter. 4- Identification of Potential sector metrics

In order for this study to provide an explicit baseline by which future progress can be measured against, a package of key performance indicators need to be identified, and the significance of each understood. Producing a report in which the author and key stakeholders make tacit conclusions has little benefit – not only do the businesses and individuals of the equine community that have been engaged with need to know the level of progress, but facts and figures can provide leverage for future projects and funding proposals presented to NGB’s and organisations.

4.1 Which KPI’s?

Choosing a manageable set of KPI’s which also encompasses all of the many aforementioned tenets of equine activity- social cohesion, rural economic development, business development, health, education, employment and tourism- is important. Some of the prior analysis investigates potential barriers to entry in equestrian sport- gender, income, education – of which it is important to record. However, subsequent measurement may find these figures to show little change; meaning they do not represent a problem the sector faces, only describing the demographic involved. It is difficult to maintain whether this stigma poses a pertinent problem that persists after this study, or merely describe the group of individuals who wish to, and are interesting in participating in equine activity. Capturing this incumbent demographic is an important feature of the KPI’s as any wholesale shifts will show a great improvement; a restructuring of the sector through increasing accessibility to all. On the contrary, future results may be similar- this could be useful in reinforcing the groups that marketing and initiatives should be targeted at, or conversely signify a more rigid social restriction to participation.

As important as the metrics themselves, is the methodology of reaching them. In earlier analysis, the author introduces many ambiguities in measuring factors such as ‘horse population’ and ‘value of the equine economy’. In the stipulation of each for the following KPI’s, using the same method of measurement in subsequent research is equally as important as the values themselves; a different methodology may produce a distortion of the progress of CW&C’s equine sector. In fact, by using the same method- measuring the change, over the next 5 years for example- a useful picture of progress will be painted even if the original methods of measurement are deemed insufficient in the interim period.

The following quantitative measures are the baseline estimates for 2011. Targets for growth of these estimates are stated in the suggested initiatives.
4.1.2 Horse population

Cheshire has 38,623, of which **17,080** are in CW&C. This estimate was derived from North Cheshire Riders (2006) who physically counted the number of horses in a given area and extrapolated this for the whole County area. I have adjusted their original measurement to remove Warrington & Halton (county boundaries have changed) and have incorporated the Sport England estimate in growth of equine activity since 2006. Finally, the total for Cheshire was divided into CW&C and Cheshire East based upon geographical area.

4.1.3 Participation

Using the figures from the following different equestrian sport bodies, and the Sport England data (APS3) (which suggests that 8% are members of clubs) an estimate of the total number of participants in Cheshire is made. It was not possible to differentiate between CW&C and Cheshire East as the NGB figures for membership and organized groups are for ‘Cheshire’ as a whole.

**British Dressage – 401 members (3.1%)**

**British Eventing – 450 members (4.5%)**

**British Endurance – 89 members (4.3%)**

**British Showjumping – 460 (2.9%)**

In applying these memberships (1400) to account for 8% of Cheshire’s equine participants, we reach a figure of **17,500**. This can be used as a benchmark for participation but is likely to slightly underestimate due to the omission of racing and polo from this data. Furthermore, many people are involved in the sector without actively participating, (breeding, veterinary care, training, livery etc) they are not included in this figure but can only grow with the proportions who actively participate.

Also note that the percentage of national membership in Cheshire (in brackets) can also be used as a KPI; an interesting gauge of the proportion of activity in Cheshire for these disciplines- showing both the disciplines in which it is strongest, and the areas it has a pedigree or critical mass on a national scale. It is clear in the initial analysis of these figures that Cheshire has a greater proportion of the NB members in all disciplines than it does the national population (1.7%)

Regarding method, the figures were all obtained from the respective national governing bodies for each sport.
4.1.4 Breakdown of participants by age and gender

![Age and Gender Breakdown Table](image)

**FIGURE 26 - Source: Sport England APS3 (2009)**

The above graphic (fig.26), courtesy of Sport England’s Active Participation survey (2009), shows the breakdown of the 17,500 active participants I have calculated by age and gender.

This shows that of the **17,500, 2,328 are male** and **15,172 are female**

**Females:**

- 19.74% or 3455 are between 16 and 24 years old
- 16.92% or 2961 are between 25-34 years old
- 39.63% or 6935 are between 35-54 years old
- 10.32% or 1806 are above 55 years old

This highlights the high proportion of ‘lapse riders’ which postpone their riding for careers/families between the ages of 25-34. This is a major target group for the Hoof Network plans. However, the greater number riding 35-54 than 16-24 shows there must be
some barriers to entry for these riders at a young age, likely to be cost. This should be addressed to increase accessibility for younger riders (even prior to this age bracket) who may have an interest in the sport.

Conversely, **Male riders** who account for a much smaller proportion of the equine participants show a different pattern. APS3 data (2009) shows the following:

- 8.05% or 1409 are between 25-34 years old
- 5.03% or 880 are between 35-54 years old

The data records an insignificant number between 16-24 years, and above the age of 55. This signals that the sport is unlikely to be one of a retirement choice for males or one for their youth. Analysing these figures at a later date may show similar figures, highlighting that the opportunities are still minimal for males, or more likely, they are simply not as interested as females in the sport. Conversely, a future increase (either in absolute terms or in the extremities of the age spectrum) may highlight a successful improvement in accessibility for males or a new found attraction to the sport, such as the exposure the Olympics provides.

### 4.1.5 Business

- **Equine suppliers** - CW&C – 17 and periphery - 14
- **Feed merchants** – CW&C – 5 and periphery – 4
- **Riding Schools** – CW&C – 16 and periphery - 16
- **Livery yards/stables** – CW&C – 35 and Periphery - 50
- **Construction** – CW&C – 14 Periphery – 12
- **Farriers** – there are 63 registered farriers in Cheshire

The method used to collect this data was cross referencing from the comprehensive [www.cheshirehorse.co.uk](http://www.cheshirehorse.co.uk) with [www.yell.com](http://www.yell.com) to determine all of the types of businesses located within the area. The farrier registration council keeps a database of all farriers in the area. However, this is likely to represent the farrier business more so than the number of practicing farriers (i.e. underestimating as in previously using this number to measure the number of horses in CW&C we found it grossly under-calculated compared to other methods). As research has shown: many farriers have a number of apprentices working for them; some cover a large area as they are a mobile business.
4.1.6 Demographic

An important barrier to overcome in trying to grow the scale of equine activity is the household and other related data which creates a vivid picture of the equine demographic. Data regarding the level of education, number of cars, and type of residence are included in the earlier analysis but will not be a key measure in the KPI’s. However, it is likely that they will form part of the next APS survey by Sport England, so the changes can be measured.

**FIGURE.27 - Source: Sport England APS3 (2009)**

Not only does the chart above (fig.27) show a larger proportion of participants from higher income brackets but a decreasing trend for the number of participants who earn less the £15,999 per annum. However, it is difficult to infer from the data whether the financial barrier to entry has heightened, or there has been an increase in earnings between AP1-APS3. Assuming this has not happened to the degree the data shows, coupled with the concerns raised in the focus group (huge costs to start participating), the data will be monitored in the future and initiatives will look to combat this inequality.

4.76% of households earn less than £15,999

19.15% of households earn between £15,999-£25,999
27.60% earn between £26,000-£36,999
3.04 % earn between £36,400-£45,799
45.45% of households earn above £45,800

4.1.7 Value of the equine economy

Using an average annual maintenance cost of £9,117 per horse (average of BETA(2006), BHS(2004) and North Lancs Bridleways (2009) figures) and the estimated horse population of 38,623, expenditure would be approximately £352 million currently on an annual basis.

Including in the expenditure at events, one must start at Chester Racecourse, which the author has estimated to contribute 18.75 million in on-site spending and just shy of 975,000 in off-site spending to the local economy. Including the on and off-site expenditure at all other events, the value of the economy or (equine GDP if you may) is approximately **£400 million**. (NB: adjusting this for CW&C would give a figure of approximately £200m (including Bolesworth, Chester Races, Southview, Kelsall Hill but with a smaller equine population than CE). This estimate does not include; equine tourism, due to the lack of data available and expenditure on breeding at Cheshire studs. Again, the figure is not comprehensive but a good estimate which is much more accurate than previous estimates of 200 million (ref?). It also provides a benchmark for future progress. In measuring the same factors, a growth figure can be approximated.

4.2 Chapter 4 – Summary

Chapter 4 summarises the work of the previous 3 chapters, predominantly Chapter 1, to provide a set of KPI’s which represent the current as-is situation in Cheshire’s equine sector. This can be used in future studies or analysis to help measure progress and whether this report has had had an effect on growth to the degree it aimed to.

The key performance indicators look in detail at the demographic data of which concerns regarding accessibility were raised in the focus group. The number of businesses provides a barometer for the strength of the equine economy, along with the value estimate, and gives us an idea of whether the cluster has been able to attract new businesses. Participation is also included, and divided into disciplines -helping gauge changes in popularity for the different equestrian sports. These measures provide the starting point from which this report’s suggested initiatives build upon.
Chapter 5 - Economic Clustering Theory & Policy Implications

In order to ascertain the challenges CW&C would face in developing an equine cluster, it is crucially important to study the potential benefits to regional competitiveness, the social and economic benefits and the required support, both publicly and privately, for these agglomerations to occur. Reviewing literature on the subject can help guide the formation of initiatives and the decision making process.

5.1 What is clustering?

Porter’s ‘Competitive Advantage of Nations’ (1990) opens with the statement that ‘national prosperity is created, not inherited’\textsuperscript{102} – and it rests, not solely on the strength of the economy and the labour endowment, but ‘its capacity of its industry to innovate and upgrade’\textsuperscript{103}. One may think that ‘more open global markets and faster transportation and communication should diminish the role of location in competition’\textsuperscript{104} and that companies would locate based on cheap factor endowment or input costs. However, ‘companies can global source to get around these cost disadvantages so competitive advantage revolves around making productive use of inputs, which requires continual innovation’\textsuperscript{105}. Creation of this productive, innovative business environment can be achieved through clustering.

Clustering represents a geographical concentration of interconnected businesses which hold mutually beneficial synergies which, through cooperation, can make an area more competitive within its field. Porter (1990) explains the importance of locality in global competition – his research talks of the ability of a ‘nation’ to succeed ‘because their environment is the most forward-looking, dynamic, and challenging’\textsuperscript{106}. This theory can be applied to regions in which competitive clusters form. Competition through ‘strong domestic rivals, aggressive home-based suppliers, and demanding local customers’\textsuperscript{107} allow the firms of the area to compete globally. Furthermore, the synergies between interconnected business can be harnessed to develop mutually beneficial relationships- a heterarchical network in which trust and knowledge are the foundations, allowing them to operate as though a larger scale; cue the benefits of vertical integration without the

\textsuperscript{103} ibid
\textsuperscript{104} Montana & Nenide (2008)
\textsuperscript{105} ibid
\textsuperscript{106} Porter (1990) (p.74)
\textsuperscript{107} ibid
inflexibility and inefficiency. Much of the literature focuses on manufacturing industries, especially those involved with technology; financial services; or any industry with many nodes in a supply chain or horizontal competition. In this case, the shear nature of the equine industry’s strength lies in the CW&C populace- the concentration of ‘interest’ already exists- applying the principles which allow the cluster to be more competitive will make the area more attractive nationally and internationally; ease entry (both in sense of participation and new businesses), and improve the performance of the incumbent impressive facilities. Contrary to Porter’s work in 1990, the results of the engagement with local stakeholders (chapter 3) showed the factors Porter named as less important to competitiveness – ‘labour costs, interest rates, exchange rates and economies of scale’\(^\text{108}\) as pertinent concerns of the businesses in attendance. Although some of these issues are barriers to projects, they are also difficult legislation to change from a minority group, regionally. Importantly, it is clear that the businesses are located in Cheshire for a reason; fostering the most value from this body of enthusiasts requires focus on ideas of ‘merger, alliance, strategic partnerships and collaboration’\(^\text{109}\). This embryonic equine cluster has formed organically- demand-lead by the interest in equine activity, cooperative practice can create emergent benefit, and a regional vehicle greater than the sum of its parts.

Clusters can be horizontal, between direct or associated competitors; vertical, in a supply chain; or sectoral thereby often involving suppliers upstream in the supply chain, downstream and laterally in manufacturers of complimentary products and related inputs such as skill, technology or common inputs. They also often have a knowledge based partner such as a University, trade association, training centre, think tanks etc. This support of a knowledge base and governance of trade associations or governing bodies has inherent benefits (developed upon later), and in some cases provides the catalyst for the creation of a cluster through attracting start-up businesses to an area due to the skilled labour pool. In this example, the presence of Leahurst, Reaseheath or even Chester Racecourse may have proved the stimulant in turning the region into an embryonic cluster we see today. Alternatively, their formation may have been derived in the face of increasing demand for skilled workers.

In establishing a reputation for excellence in a particular field through this critical mass of businesses, knowledge bases and skilled labour; the area becomes attractive to both customers and those working in the field. Consequently, ‘clusters are differentiated by their specialization in a particular stage of their field’s value chain, by their focus on specific

\(^{108}\) Porter (1990) (p.74)  
^{109}\) ibid
geographic areas, or by targeting selected customers needs or market segments\textsuperscript{110} so the attraction of skilled, specific labour and ancillary businesses congruent with each stage of the industry is easier.

Typical examples of clusters are those involving very high-tech companies- requiring sophisticated, complex supply chains (especially for consumer electronics) and a wealth of skilled labour. Gibbs & Bernat state how clusters are typically more than just taking advantage of natural resources or proximity to market but ‘implies a more sophisticated relationship among establishments’\textsuperscript{111}. The aforementioned case studies show signs of these linkages, such as in The ‘Kentucky Horse Park’ brings companies with very different (vertical) relationship together for benefit. Due to the nature of the sector, the proximity of interconnected business is also important. The location is not necessarily based upon proximity to a natural resource (unless you count the abundance of open countryside- which is readily available nationwide and few areas have been capitalised on to the extent Cheshire has), but the proximity to a concentrated market and one which thrives on the relationships between businesses linked together in supply chains. Gibbs & Bernat talk of the ‘classic industry cluster’ such as ‘the production of computer components which may require a wide variety of specialized parts. As the specifications and characteristics of its products change, the factory will need a different set of material inputs’\textsuperscript{112} necessitating close reliable relationships between suppliers. This principle can be applied to equine activity, although the distance constraint may not be linked to demand as with consumer electronics; rather transport constraints, health and safety, horse welfare and trust. The low value-weight ratio of feed/haylage benefits a supplier in close proximity; veterinary and farrier care may be needed in emergencies and transport of horses is both expensive and cumbersome- livery located to event venues and riding areas is beneficial.

It is not merely goodwill which creates such collaborations, internal competition within the cluster allow its firms to compete more successfully in the wider market, thus attracting new entrants to the region and improve its reputation for excellence. Goetz & Rupasingha (2002) cite how clusters enable a region to ‘determine their competitive advantage in the global economy’\textsuperscript{113} through realization of regional competitiveness which can increase ‘the

\textsuperscript{110} Ketels, C (2003) ‘The development of the cluster concept – present experiences and further developments’ Harvard Business School, NRW Conference on clusters, Duisberg, Germany, 05/12/2003 (pp.1-25 (p.15)


\textsuperscript{112} Ibid

pressure on a region to continually improve the competitive position of its firms\textsuperscript{114}. This, in a sense, shows how a relentless environment of continuous improvement and innovation can help the area become a beacon of excellence. An example of this could be aggressive competition between two equestrian event venues that push to host the most prestigious event in the area. As a result, the overall offering of the area is vastly improved and may help to attract further events, potentially culminating in a tour (a problem we have identified) or greater national and international recognition. Consequently, spin-off benefits such as greater spectator attendance locally; an increase in tourism (of which the economic benefits have been previously highlighted); an increase in the elite tier of the sport in the area; an increase in associated businesses and individuals entering the area and a creation of jobs and wealth as a result.

5.2 What are the advantages of clustering?

Although an abundance of literature, some of which is cited below, talks of the conspicuous benefits to regional economic growth and development; creating employment and increasing wages, this should not be a universal panacea or solution to improving regional prosperity. The many following advantages are introduced, but the applicability to individual areas and the policy implications are unique to the region.

Porter talks about competitive advantage hinging on the ability for firms to innovate\textsuperscript{115}- this is a means of operating more effectively or efficiently; increasing performance in some way. He says that innovation can be in many forms – ‘new product design, new production process, new marketing approach, or a new way of conducting training’\textsuperscript{116}, all of which can be improved as a result of the pool of knowledge and resources available in a cluster. In CW&C for example a collaboration between an educational institution such as Reaseheath (Cheshire East), who could tailor courses and training to the needs of industry through regular feedback and collaboration in the design of the courses- in a ‘Pole Filiere’ arrangement as seen in Normandy. Not only would this satisfy the labour requirements and promote local hiring, but increase the number of students in education; creating jobs in this field as a result.

The paper by Christian H.M Ketels (2003) summarises the advantages in clustering as ‘several types of positive location-specific externalities’ such as ‘access to specialized human resources and suppliers, knowledge spillovers, pressure for higher performance in head-to-head competition, and learning from the close interaction with specialized

\textsuperscript{114} Ibid
\textsuperscript{115} Porter (1990) (p.74)
\textsuperscript{116} Ibid
This competitive and cooperative environment allows the cluster members to feed off each other, develop close relationships, better utilise their own core competence and continually improve to make the area more attractive, both as a business proposition to external parties and in this case, those seeking an area for equine activity/tourism.

**Assist small business entry and the network effect**

A clear benefit of clustering is increasing the entry of new businesses in the area. This can be suppliers and customers of existing residents who see benefit in locating close to their business partners; businesses that look to locate in area with a significant market, and small enterprises who benefit from the linkages they have with larger firms. Furthermore, the growth in concentration creates a networking effect which further attracts more business to the area. Schmitz & Nadvi (1999) suggest ‘there is increasing agreement that clustering helps small enterprises to overcome growth constraints and compete in distant markets’ but there is also ‘recognition that this is not an automatic outcome’. By developing relationships with knowledge bases, and many other interconnected businesses, they are able to share information and coordinate services more effectively. This allows them to operate with the cumulative economies of scale of its cluster compatriots, reducing the need for capital investment and improving their reliability. Schmitz & Nadvi argue that the benefits are ‘particularly relevant for the early stages by helping small enterprises grow in riskable steps’. This could be applicable to veterinary care in which a new small practice could refer larger treatments to a more established surgery without worrying that their service offering suffers. A similar arrangement is already in place in which many veterinary practices of the area act as ‘first referral’ to Leahurst who deal with the more complex treatments.

Overcoming the initial barriers to growth in a rural context can also be aided by clustering. Huang et al (2007) cite how ‘clustering plays a significant role in helping fledgling rural industries overcome the growth constraints of capital and technology’ and may also help create a critical mass with more leverage over public support for necessities, such as infrastructure. A similar example is the growth of the prestigious ‘Manor House Stables’ whose resident labour force have contributed to the prosperity of local B&B’s, pubs and Taxi

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117 Ketels (2003) (p.10)
119 ibid
120 ibid
firms. With marquee businesses locating in the area, many others set-up to assist and supply, this creates a whole new environment to attract further interest and public support.

Clustering increases the concentration of firms and thus necessitates a more defined role within the community, in a sense – concentrating on their core activity, which they have comparative advantage. This also ‘deepens the division of labour in the production process, making it possible for small entrepreneurial firms to enter the industry by focusing on a narrowly defined stage of production’\(^\text{122}\). Consequently- niche, smaller businesses can locate; without the worry of insufficient demand for their product or service. The weight of the cluster provides insurance of demand.

Literature on the subject also highlights more quantifiable benefits. Gibbs & Bernat state that workers’ earnings in rural industry clusters are about 13 percent higher than those of comparable workers outside clusters\(^\text{123}\) and that ‘the wage boost is similar for workers regardless of age or education level’\(^\text{124}\). Feser, Renski & Golstein (2008) note the ability of a cluster to keep a workforce afloat ‘through job retention, or workforce development programs aimed at helping redundant workers in the cluster obtain the necessary training and skills to assume employment in the newer, emerging industries’\(^\text{125}\). This does not allude to the creation of jobs (an obvious effect of new businesses setting up/expanding anyway) but the ability to up-skill and maintain skilled workers within an industry cluster. This is particularly important in a sector such as equine; many of the skills are very specific (such as a farrier) and would unlikely have a direct transfer to another professor outside the sector.

**Innovation/knowledge spillovers**

Knowledge forms a key driver in cluster formation- both as catalyst in attracting businesses to the area by providing skilled labour, and in sharing of knowledge between cluster members; knowledge spillovers- which Baptista & Swann (1998) see as key factor in the success of clusters\(^\text{126}\) - stating that ‘spillovers, particularly those associated with new technological knowledge tend to be geographically localised’\(^\text{127}\). It is important in CW&C to understand the relationship between industry and Educational institutions, and how the collaboration has drive the most value out of the knowledge and skills. It is crucial for a

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\(^{122}\) Huang et al (2007) (p.1)  
\(^{123}\) Gibbs & Bernat (page.1)  
\(^{124}\) ibid  
\(^{127}\) ibid
collaborative relationship to be in place, tailoring the educational provision to the needs of industry.

With respect to the presence of a University, such as The University of Liverpool’s Leahurst, Feser, Renski & Goldstein (2008) find ‘links between start-up activity and proximity to innovation activity (as measured by patents) and ranked universities tend to be stronger than the links between entry and existing value-chain employment’\(^{128}\). This basically shows that the essential ‘innovation’ tenet of cluster formation, reinforced by the increase in start-up activity as a result- can be greatly aided by University presence, but requires the communication channels to be open.

**Whole greater than the sum of the parts**

Feldman & Francis (2004) say that Alfred Marshall’s 1949 work – ‘the secrets of the industry are up in the air’\(^{129}\) implies that ‘certain locations enhance firm productivity through externalities that are beyond the capability of markets to price, but that represent positive economic value’\(^{130}\). This is the emergent benefit of having a network of suppliers and related businesses which can support you. For example, a business relying on cash flow would be able to hold much less inventory if it had reliable supplier relations within close proximity-increasing agility to consumer demand and tying up less cash in safety stock. A local customer base may also help with security in procurement and the achievement of discount on scale. Such features of a successful cluster could be ‘improved communications among suppliers and competing firms, simplified exchange of ideas, and proximity to service providers’\(^{131}\). At elite level sport, fine tuning of horse training and breeding is very important; the reliability of feed supply will help maintain nutritional standards, constant dialogue with veterinary staff and trainers help maintain conditioning, and the development of a partnership with a horse transport/logistics firm ensure peace of mind in the travel of prized assets. Such relationships were true in the case of ‘Manor House Stables’ in which specific partnerships were developed for academic troubleshooting-using ‘Leahurst’ on several specific equine health matters.

Proverbial ‘membership’ in a cluster helps smaller businesses punch above their weight on a global scale through ‘enhanced cooperation in marketing, product development and innovation, resources, and energy use, education, and environmental labelling and

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\(^{131}\) ibid
certification\textsuperscript{132}. This could be applied to some of the cases seen at the focus group- in which, some event venues displayed concerns of the lack of support from the governing bodies’ of the equestrian disciplines; tying in marketing with other events and feeding larger events may help with affiliation, and clout in getting support from NGB’s. Another example of collaboration could be- ‘Racewood’ who manufacture a high-end horse simulator product which could be introduced to larger events- attracting attention from potential suitors or providing an alternative revenue stream in licensing or hiring the machines.

However, research highlighted the need for caution to avoid full integration which can cause ‘spontaneous unease’\textsuperscript{133} by an inefficient reliance on cluster partners. A cluster’s dynamic and vigilant nature necessitates the members to always be seeking improvement and pushing the boundaries. It is this competition that stimulates the continual improvement, becoming comfortable and reliant would compromise this.

Tourism

As has been mentioned earlier, the value of extending the market for events and the equine lifestyle past the geographical boundaries of Cheshire has huge economic value- bringing tourism, sponsorship and media coverage to the area. As a consequence of some of the aforementioned benefits of clustering, one would hope to increase the scale and exposure of the equine events – in turn increasing tourist attendance and secondary spend in the area. Furthermore, the growth of other sectors, such as training and breeding could have a similar effect.

In work by Park, D-B & Yoon Y-S (2009) they touch on the importance of the classification of tourists; this may be of importance to Cheshire also, especially as the different levels of performance require a much different strategy – whether it be grass roots participation, to sports gamblers/spectators, to elite competitors -they classify tourists as – ‘family togetherness seeker, passive tourist, want-it-all seeker, and learning and excitement seeker’\textsuperscript{134}. They see rural tourism as an ‘effective strategy for revitalizing rural communities that have experienced serious structural and economic problems’\textsuperscript{135}. This does not apply to Cheshire but the ability of a cluster to overhaul a rural economy shows the powerful effect it can have in creating jobs, increasing wages and stimulating land cultivation and farm diversification.


\textsuperscript{133} ibid


\textsuperscript{135} ibid(p.106)
Huang et al (2007) talk of the ability of clustering to help ‘fledgling rural industries’ to overcome growth constraints of capital and technology\textsuperscript{136} – it helps deepen the division of labour so SME’s are able to start-up by setting up a business which focuses on a narrow section of the market. Furthermore their study noticed a community feeling develop which created many mutual relationships. In this case ‘adverse natural and infrastructure conditions also helped forge a unique regional social culture in Wenzhou, promoting entrepreneurship, risk-taking, hard-working, and the value of friendships’\textsuperscript{137}. This is not necessarily the same situation Cheshire faces with its good transport infrastructure but many of the rural locations require a close supply network, especially in an industry which will inherently try and reduce travel – both for horse welfare and the low value-weight ancillary products.

It is a common misconception that clusters of industrial activity are strictly an urban phenomenon Gibbs & Bernat state that rural clusters are ‘not merely concentrations around sources of raw material or low-wage labour’ and ‘if indeed rural clusters behave as urban clusters, dependent upon and sustaining external economies of scale, then we may expect similar economic benefits to flow to the local rural economy’\textsuperscript{138}.

It is important for the incumbent parties to appreciate the need for competition. Scholz & Stauffacher (2006) state that rivalry is seen as a motor of innovation and competitiveness, domestic cooperation can be considered advantageous when the aim is ‘to attain and sustain global competitive advantage’\textsuperscript{139}, but when promoting this rivalry and cooperative practise the benefits need to be clear to avoid the ‘ambivalence between cooperation and competition might be seen differently from the perspective of horizontal or vertical competition’\textsuperscript{140}. Despite the ease in perceiving this to be a detrimental situation, overcoming this culture will allow access to the aforementioned advantages for each of the businesses in the area.

### 5.3 How do clusters form?

Ketels (2003) states that ‘evolution of clusters can take many years, often decades\textsuperscript{141} but can be sped up by proactively identifying the cluster potential of an area. This is the function of this research- to identify the potential of an equine cluster and support the incumbent critical mass to work towards this goal. This is not something which can happen immediately, but the previous weight of data and reading shows foundations are already in place, and despite some resistance, many of the local equine community are au fait with the idea.

\begin{itemize}
  \item \textsuperscript{136} Huang, Z; Zhang, X & Zhu, Y (2007) (p.409)
  \item \textsuperscript{137} Ibid (p.419)
  \item \textsuperscript{138} Gibbs & Bernat Jr (p.3)
  \item \textsuperscript{139} (Asheim, 1996, page 381); Scholz & Stauffacher (2006)
  \item \textsuperscript{140} Ibid
  \item \textsuperscript{141} Ketels (2003) (page.10)
\end{itemize}
A critical mass of companies creates an attractive, productive business environment in which ‘a firm is more likely to innovate if located in a region where the presence of firms in its own industry is strong’\(^\text{142}\). Innovation is what enables firms to be competitive and continue to evolve, creating ideas, services and products which keep it ahead of the competition. This is what is needed in Cheshire for the equine industry to raise its profile to the national and international markets in all aspects. As a result of an improved reputation the cluster will grow as the ‘strength of cluster is correlated with the firms innovative activity’ and ‘innovation, entry and growth tend to be stronger in clusters’\(^\text{143}\). This attractive environment stems from ‘the presence of highways, industries utilizing common inputs, geographic coincidence with complimentary supply-chain industries, and access to labour’\(^\text{144}\) which creates a nucleus from which the cluster builds.

Several catalysts are responsible for the formation of clusters in addition to the physical infrastructure or incumbents of an area. Ketels (2003) cites ‘the existence of initial institutions, such as companies or universities, which over time act as an anchor for the cluster spinning off new businesses and attracting the investment from companies outside the region’\(^\text{145}\). Cheshire has an abundance of equine businesses, facilities and reputable educational institutions to create this effect.

Feldman & Francis (2004) state that ‘entrepreneurs play a special role in cluster formation’ by starting firms that ‘capitalize on technological opportunities, adapting scientific breakthroughs and generic technologies to create new product markets and reorganize economic activity’\(^\text{146}\). However, they also state that studying clusters in order to determine the catalysts of their formation is misinformed - studying clusters does not inform us of universal methods in which to create them; they ‘reflect attributes and relationships as the cluster developed, rather than preconditions for cluster development’\(^\text{147}\). This suggest the cluster is a privately lead phenomenon which is ‘self organising and occurs in developmental stages’ and the cumulative benefits or economies of agglomeration stem from the motives of individual entrepreneurs\(^\text{148}\). It is therefore important to create an environment conducive to entrepreneurship and not rely on too much public support.

\(^{142}\) Baptista, R & Swann, P (1998) (p.538)

\(^{143}\) ibid


\(^{145}\) Ketels (2003) (p.11)

\(^{146}\) Feldman & Francis (2004) (p.128)

\(^{147}\) ibid

\(^{148}\) ibid
Maskell & Malmberg (2001) also look at the need for private sector buy-in for cluster development, describing the formation as ‘ecologies’ of mutual firms and institutions’ and it is the ‘creative feedback response of the entrepreneurs to their environment that determines the nature and stability of the cluster’\textsuperscript{149}. This reinforces the idea that the businesses need to work cooperatively to help grow the power of the cluster, a power which means ‘companies can operate with a higher level of efficiency’\textsuperscript{150} and access resources that would otherwise be out of reach. The benefits of the cluster or agglomeration economies develop from the stakeholders within and continue to

More explicitly, Feldman & Francis (2004) identify stages of cluster formation within this idea that the initiative must be upon the entrepreneurs or private sector\textsuperscript{151}:

- **Initial stage** - region is inert, few, if any; entrepreneurial start-up companies exist within the industry of interest. The region may have assets in terms of Universities, government labs, and large companies, but it does not have significant entrepreneurial activity. –

- **Exogenous shock** – could be corporate mergers or acquisitions or others which lower the opportunity cost of entrepreneurship

- **Formation of the cluster** – ‘learning and adapting to new events and responding to changes in the policy environment are important in the development of the cluster. Characterised by the increased entrepreneurial activity and the beginnings of interaction between entrepreneurs and their environment……..industry may become self-sustaining is entrepreneurs are able to build resources by attracting physical and human capital to the area and creating networks to support and facilitate their ventures (p.129)

- **Final stage is the establishment of a critical mass of resources. At this point, the location has established a reputation as the place to be for a particular technology.**

Cheshire is nearing the point of this final stage and needs joint ventures and heterarchical relations to make the area more competitive and exogenously attractive.

Much of the reason for the growth of a cluster can be attributed to the aforementioned advantages or benefits of being in a cluster. Companies are attracted to the area as they are able to operate more efficiently and access skilled labour, reliable supply and the sterling reputation. Likewise, labour is likely to locate there, increasing growth as it provides higher wages, more specialised employment and the likelihood of innovative, cutting edge training and development\textsuperscript{152}. Most importantly, clusters cannot be formed artificially and as a

\textsuperscript{149} Maskell & Malmberg (2001)
\textsuperscript{150} Ketels (2003) (p.11)
\textsuperscript{151} Feldman & Francis (2004) (P.129)
\textsuperscript{152} Gibbs & Bernat (no specific page)
panacea for small enterprise development, they need to develop upon a foundation or critical mass which is conducive to innovation and entrepreneurship\textsuperscript{153}.

Establishing this productive environment is crucial to increase the opportunities in an area and attract businesses. Popp & Wilson (2007) discuss Hassink & Shin’s (2005) lock-in concept\textsuperscript{154} and place an importance on ‘structural lock-in’ which encompasses ‘large numbers of often small firms, thick resources, and low barriers to entry’\textsuperscript{155}. Creating these conditions along with the heterarchical partnership and rivalry which lowers costs is what provides the appeal to the cluster and allows it flourish.

5.4 What support do they need to develop and sustain?

Public business support is changing from a direct approach, to the creation of a productive business environment. Support has changed from financial, in the 1930’s, to a focus on diversification in the 1980’s, to the current idea of providing a good business environment and clustering\textsuperscript{156}. The public sector faces a difficult decision as ‘rather than targeting specific industries or technologies, effective state policy might focus on creating conditions that would allow firms to grow and prosper’\textsuperscript{157} and providing ‘a hospitable environment for entrepreneurs to create new firms’\textsuperscript{158} - but this is not necessarily an attractive investment or one which has quantifiable output. This cluster of ‘firms and supporting institutions are the key to creating and sustaining a global competitive advantage’\textsuperscript{159} This is reinforced in the work by Feldman & Francis (2004) who state the inability for tax incentives to attract companies - ‘empirical evidence demonstrates that tax incentives and relocation subsidies did not induce the desired results in traditional manufacturing industries’\textsuperscript{160}. In short, location decisions are often not based on cost, rather the available network, knowledge and expertise which is not always attracted financially but creating an innovative business environment.

It is important not to focus the policy on creating physical changes ‘especially hard infrastructure- to the detriment of the functional processes’ for example, the networks and

\textsuperscript{153} Schmitz & Nadvi (1999) (p.1509)
\textsuperscript{154} Hassink & Shin (2005); Popp & Wilson (2007) p.2989
\textsuperscript{157} Feldman & Francis (2004) (p.135)
\textsuperscript{158} ibid
\textsuperscript{159} ibid (p.128)
\textsuperscript{160} (Bartik, 1991; Papke, 1991); Feldman & Francis
the value and supply chains underlying the successful growth\textsuperscript{161} as it provides a more tangible outcome and it appears the policy may have had a direct effect. On the contrary, providing the means by which communication can be free and productive is more important. Feldman & Francis believe the main policy question to be ‘how to translate latent entrepreneurship into active entrepreneurs and how to provide potential entrepreneurs with the skills they need to be high-tech entrepreneurs’,\textsuperscript{162} facilitating this could become the big challenge but a strong knowledge base provides a good culture for a foundation.

This is an issue in public sector policy, especially when there are desired outputs which are more difficult to deliver with these ‘softer’ solutions. Often, the support mechanisms for businesses are evaluated using private sector metrics, such as return on investment\textsuperscript{163}. It may be the case that ‘an early stage program may have pivotal benefit but is not traceable’\textsuperscript{164}, instead creating indirect value through creating synergies rather than conspicuous benefits such as creating jobs.

Mary Jo Waites (2000) places importance that ‘economic policy must be grounded in the realities of the industries in which it is targeted’\textsuperscript{165} and cites direct industry participation as a key factor in making the support relevant to the particular industry. Again, using regular involvement and feedback of the active stakeholders in the equine community will help to understand their needs. This has already been achieved to a degree in the focus group events. By establishing ‘cluster working groups and organisations – for putting industry together to design policies, address common problems, and implement initiatives’\textsuperscript{166} the support can be aligned to the exact needs of the industry. Huggins (2008) highlights how ‘cluster policies must be increasingly attuned to positioning within a global network environment’, expanding the periphery to the national and international markets. This will especially be important in policies targeting equine tourism and increasing the profile of events. This wider perspective will help sub-clusters form as a result of growth in one area of the equine industry through the idea of ‘wider connectivity and consolidation’\textsuperscript{168} and the organic growth in demand for ancillary services.

It is important to note that there is no Universal approach to regional economic development, and ‘there is no one set of policies that will make a cluster successful’\textsuperscript{169} as they differ depending on industry, location and operating dimensions. In the paper by Mary

\textsuperscript{162} Feldman & Francis (2004) (p.131)
\textsuperscript{163} Feldman & Francis (2004) (p.136)
\textsuperscript{164} ibid
\textsuperscript{165} Waites (2000) (p.49)
\textsuperscript{166} ibid
\textsuperscript{167} Huggins (2008) (p.281)
\textsuperscript{168} ibid
\textsuperscript{169} (Cortwright, 2006); Huggins (2008)
Jo Waites (2000) this is also eluded to as there is ‘no ‘formula’ for determining the right combination of policy tools and strategies appropriate for all states at all times’\textsuperscript{170}

As has been previously reconciled, the development of clusters tends to be privately led, in the sense that individual incentives for the location in a particular area stimulate the networking effect and the growth of a cluster. Schmitz and Nadvi (1999) state that this can be demand lead, circumstance lead or knowledge lead\textsuperscript{171}. These are not mutually exclusive, however, and although one may be the dominant initial factor, sustainable cluster growth relies on the alignment of these. This will be the focus of the action points to follow; developing a conduit between the active participants, business and educational institutions.

Schmitz & Nadvi (1999) also review the literature by Humphrey & Schmitz (1996) which gives a specific ‘Triple-C’ approach for successful interventions\textsuperscript{172}:

\textit{It is important that the action points arising from this research considers these points. ‘to be effective interventions need to be a)customer-orientated: enabling firms to learn about, and from, the needs of their customers helps them to tackle their key problems of competitiveness; b)collective: directing support at groups of enterprises not only has lower transaction costs than assistance to individual firms, but it also encourages co-operation and mutual learning; c) cumulative: generating the capacity to continuously upgrade and improve makes further public support unnecessary.’}

These conditions for successfully supporting the cluster formation will be reflected in the actions suggested by this research.

Once the cluster critical mass is apparent ‘a self-reinforcing cycle promotes its growth, especially when local institutions are supportive and local competition is vigorous’\textsuperscript{173} This then provides the area with greater leverage to lobby the government, local authorities and governing bodies which can help provide the necessary business environment for cluster growth.

\textbf{5.5 What problems can occur?}

When developing a cluster it is important to sustain the initiative, avoid complacency and continually strive to improve in order to maintain competitive advantage.

\textsuperscript{170} Waites (2000) (p.49)  
\textsuperscript{171} Schmitz & Nadvi (1999) (p.1503)  
\textsuperscript{172} Humphrey & Schmitz(1996); Schmitz & Nadvi (1999) (p.1509)  
\textsuperscript{173} ibid
Firstly, becoming too focused on one objective or idea can make the cluster redundant. Schmitz & Nadvi (1999) use the idea of becoming locked into redundant technology; leaving the cluster at risk when times change. This is an unlikely scenario in the equine sector but could happen to businesses established offering a certain type of therapy or investing in a particular resource for training that eventually becomes obsolete.

Over reliance of suppliers or partners also reduces the competitive environment which is crucial to the clusters becoming competitive- ‘over-consolidation, mutual understandings, cartels and restraints to competition undermine the local rivalry which is key to the success of the cluster’\(^{174}\) creates a complacent ‘collective inertia’\(^{175}\). In order to maintain the competitive position, the members must continually look to innovate and make the cluster a more attractive proposition for external parties to enter. Restricting the competition is a condition which is not conducive to clustering. When trying to develop the cluster, it is important that policy and public support does not protect local companies from competition and restrict industrial location which may retard cluster development.

Goetz & Rupasingha (2002) warn that the scale available in a rural economy, compared to urban, will not be sufficient to attract new businesses without ‘playing up the advantages such as amenities and high-way access’. In the equine sector a greater concentration of activity will be in rural areas, including all of the ancillary businesses and support mechanisms needed by a business or individual. However, marketing Cheshire as an attractive location with the accessibility and infrastructure advantages it has (chapter 3) will do no harm, and will be an important factor for trainers, breeders and events with a national/international audience. However, maintaining a focus must be on the reputation of the businesses in the area and marketing the cluster will appeal to new entrants and create a sustainable cluster.

\(^{174}\) ibid
\(^{175}\) Ibid
5.6 Chapter 5 - Summary

Forming a cluster requires a productive, entrepreneurial business environment, rife with competition to make the incumbent businesses more efficient. This in turn attracts new members to the cluster due to its strength in suppliers, knowledge spillovers and reputation for excellence. This allows them to operate as if they were a larger scale and develop mutual partnerships and collaborative work that benefits all parties. Skilled labour is attracted to the area due to the increased promise of specialized jobs, providing an ample supply in the face of cluster growth. Policy needs to favour the environment and promote entrepreneurship, rather than direct financial support. Clusters can increase participation, increase jobs, numbers of businesses and contribute to wellbeing and social cohesion and thus is a good driver to build upon the scale and scope we have researched and contribute to rural regeneration.

There is already a critical mass and knowledge base in the Cheshire equine sector, by developing cooperation we can improve the strength of the local area and establish its reputation as the centre of excellence for equine activity. It is unlikely that it will be able to compete with the well established Newmarket for horse racing but has strength in a range of other equestrian disciplines. However, there is also a diverse culture which does involve racing and high profile trainers - this could, if supported by the necessary ancillary businesses and the skilled labour attract more racing activity to Cheshire. In application of the literature to this context, it is clear that Cheshire has the potential to develop a strong equine cluster. The literature has provided the guidelines for the following actions to be implemented, avoiding direct financial support and focusing on lowering barriers and creating a productive business environment.

Reinforcing this literature review - which suggests how a cluster is borne from the incumbent parties in an area – the following action points in Chapter 6 outline the ways in which certain aspects can grow, work more efficiently and most importantly, cooperatively to raise the profile of Cheshire and make a significant contribution to rural regeneration.
Chapter 6. - Suggested Initiatives & Action Points

In researching the current situation in CW&C and engaging with the many stakeholders of the community, four themes have been identified which encompass the focus of the improvement initiatives. These tenets are the foundation upon which the author believes the potential in developing a successful equine cluster rests upon. Prior review of literature has provided guidance on how to support the development of a cluster. These four themes are those which will receive the focus of the support, they will hopefully have wider benefits to the equine community as a whole and contribute significantly to rural regeneration.

- Training and education
- Participation (grass roots through to elite level)
- Business & Economy
- Events & marketing

Each of these is interlinked with some, or all of the others, and an over-riding facilitator of collaboration and communication unites the ideas.

6.1 Four Pillar Model

FIGURE.28 – ‘Four Pillar’ model of equine cluster development
Training & Education – Aim to establish an employment exchange between several key businesses and the major educational institutions, or any other party who wishes to start training courses. Using the ‘pole filière’ model from Normandy, regular communication would feed back the requirements of industry into the design of educational programmes. This appeared to be a problem when engaging with governing bodies and businesses at Reaseheath College; a debate ensued over the validity of education compared to experience. Furthermore, the focus group at Manor House stables revealed an insufficient pool of skilled riders and lads in the local area. A key feature of a successful cluster is knowledge sharing between educational institutions and industry, and the ability for businesses to be innovative using the knowledge at their disposal within a cluster.

Not only will this linkage create jobs within the cluster, but provide a pool of skilled labour for the local businesses. This is a key feature in clustering, a knowledge base, which in this case could be Reaseheath or Leahurst, which improves the productivity of the local area. Furthermore the skilled and productive image will attract more businesses to set-up in the area- if a reputation is developed by which there is an abundance of experienced and well trained labour in close proximity to innovative, leading edge educational institutions, firms will believe this will help their competitive advantage on a national and International realm by locating in the area.

Improved training and education will also benefit events, providing a ready supply of skilled labour and producing the ability to scale up the workforce to meet the demands of larger events. Moreover, the expertise of somewhere like Leahurst is likely to provide leverage in securing higher profile events; high-class support (veterinary) services will give many elite level trainers and riders peace of mind. These linkages between the four pillars are all important to support and create the catalyst for growth in another area – there is little point in the growth of events and businesses if there is insufficient labour to meet this demand. Conversely, a large skilled pool of labour may create alot of unemployment if events and businesses do not match this ambition. Aligning all of the four themes requires a balanced approach through the action points to follow.

6.1.2 Participation – this theme links directly into the British Equestrian Federation’s plans to increase participation in the wake of the Olympics in 2012. They look to develop a series of regional horse networks ran with the aid of a voluntary chairperson, which will hopefully create an organisational structure similar to that of the ‘Horse Council’ of Normandy. Their primary aim is to target 16+ participation of which they aim to increase by 43,000 nationally by 2013.

Increasing participation is the most conspicuous means of growing the equine sector in CW&C having direct linkages to the other themes- increasing the demand for horses, tuition, events, equine health care and means of competition.

Furthermore, widening the base of the pyramid, as such, will increase the likelihood of nurturing more elite performers, helping attract high profile events. Furthermore, the greater number of riders would create a demand for a larger calendar of events; the market
would demand further venues and programmes of events. This increase in activity would attract the attention of governing bodies and other riders who may be able to come to Cheshire for a longer period of several events. Furthermore, the current event venues will have a greater local audience who are likely to attend, this should increase their attendance and revenue from gate receipts.

Naturally, an increase in the number of people participating in the sport will increase the demand for all products and services in the sector - from breeding and horse auctions down to feed, tack, livery, veterinary services and riding lessons, all the of the current businesses in the area will benefit from an increase in demand. In fact, a sufficient increase in the participation will necessitate entrepreneurial action and the creation of business to service to expanded populace.

Although not as clear a relationship, it is possible that increases in participation will increase the number of equine enthusiasts from an early age and the number who wish to pursue a career in the field; this will increase the demand for education and training for their careers.

One problem in the BEF plans is the source of funding - it comes from Sport England who only fund for 16+ ages. Market segmentation has been carried out for equestrian sport and which they have provided businesses with to help target marketing to the relevant groups or ‘profiles. One specific group is ‘lapse riders’, mainly female whom they hope to retain in the sport during the years they may concentrate on careers and families. Our initiatives will also introduce a means of targeting the grass roots participation to harness the benefits mentioned above of *widening the base of the pyramid*, which is important, but not a priority to the BEF.

Providing a more structured approach to increasing grass roots participation is key to developing more elite riders and introduces people to the sport at an age where they are able to learn and develop quickly. A programme to offer horse riding introduction for school children who do not already ride/own a horse would help recruit those with an interest. This would require a link or communication between schools and riding schools, for which it would have mutual benefit.

**FIGURE.29 - Source: Hoof North West Network Vision (2011)**

Hooft’s vision is one encompassing all age groups according to their vision; branded under ‘hoof riding’ (fig.29). However, the action points to come out of the vision are less tangible than those proposed in the following section – they talk of ‘building stronger links with schools’; ‘targeting groups with potential to ride’; ‘promote ‘life value’ of riding’; and incorporating a foundation of equine education (to help horse welfare) throughout. These
ideas are laid out to enable action from the relevant parties and need to be rationalised to produce 2/3 steps to pursue an increase in participation. Hoof does not lay out specific strategies to create these increases but will provide business support and funding opportunities through their network meetings. Our aim is to supplement this with CW&C providing a conduit between riding schools and primary/secondary schools.

6.1.3 Business/Economy – Supporting the current businesses and providing the most productive environment for them to work in is imperative to the development of the cluster.

As has been discussed at length, the ‘network effect’ hinges upon the success of the current businesses, and the reputation of the region as an attractive area with an abundance of labour, resources and demand for equine business. This requires a support mechanism, although the literature warns of the dangers of relying on inefficient direct financial support; the development within this theme must be private sector led.

Enlightening the incumbent ‘residents’ to the benefits of collaboration within a cluster is imperative to achieve the collective advantages on offer- including the aforementioned engagement with educational institutions to provide a skilled workforce, and the communication and involvement in supporting events and becoming suppliers. In order for this to happen the business environment must be supported by public sector or equine governing bodies to facilitate business success. This will mean the creation of a regular meeting or ‘council’ such as the BEF horse network and/or an online forum to develop cooperation and relationships. Furthermore, the infrastructure and regulations must be addressed as not to suppress their growth plans and ability to develop the cluster. The BEF horse network meeting looks to provide training in areas that make the businesses function more effectively; such as health & safety, employment law and marketing. These skills will help the business operate more effectively and facilitate growth, albeit under the premise in primarily targeting this 16+ age group.

**FIGURE.30 - Source: Hoof North West Network Vision (2011)**

Hoof’s vision for business (fig.30) revolves around the networking of events and the ability to communicate with businesses over potential funding for projects. They also aim to offer businesses with a toolkit in fields such as health and safety. This support revolves around facilitating an increase in participation and this appears to the criteria for attracting support. It is advantageous that a national governing body recognise the potential in Cheshire and the ‘fragmented’ nature of the industry; they aim to provide a forum for sharing of ideas.
and also provide a unified voice for the region. The problem being with this is incentive. Businesses need incentive to engage with other business; this is where the benefits of clustering apply – the following idea of a loyalty scheme will explicitly outline a means of creating a business network within Cheshire. Yes, Hoof’s idea of collaboration and providing businesses with support they need is a good one in practise, but providing a business environment with mutual benefit is one in which they are likely to see more value. It is more beneficial to provide a vehicle (website) in which businesses join for collective benefit – they are signing up to being part of the Cheshire equine community.

Ultimately, the success of the economy is related to the businesses cooperating and increasing competition; capitalising on the increase in activity and developing relationships which can add value to their individual business and the image of CW&C. In doing so it may make CW&C a better environment for further businesses or events to be set up.

By establishing a loyalty scheme- a proxy for a business network- the stakeholders will be brought together and can work to market the area as a whole. They can develop synergies within the network, giving offers which increase their business and localise equine spending in CW&C. This could be facilitated by a website which is used to give regular updates to the customers who sign up for the loyalty card, and which businesses can use to advertise and inform the populace of new products, services and offers.

6.1.4 Events & Marketing -

The substandard number of internationally recognised events in Cheshire is an area which can be targeted, helping raise the profile of Cheshire. This ties in closely with marketing- the key to delivering growth in the events programme is through collaborative marketing, creating a comprehensive calendar of events or a tour which would attract international calibre riders and equine enthusiast the world over. By developing season passes, an ‘equine festival’, or discount for multiple events, venues can work together to increase the attendance at their events. A group of passionate and active venues would also have a louder voice in lobbying NGB’s to achieve affiliated status or preferential positioning in the national calendar. This in turn helps attract the attention of the national media and makes for a more attractive advertising opportunity; an important source of revenue.

A growth in the number or profile of events has a direct impact on some of the other themes in the diagram above (figure.28). Clearly the increase in the number of events would necessitate new event venues to be created, developing jobs, benefitting construction companies and increasing the demand for many of the ancillary equine businesses. Higher profile events would improve the areas reputation and create a perception of ‘the place to be for equine’, this would strengthen the cluster through new businesses setting up in the area. Furthermore, the secondary spending in the surrounding area of tourists would have a huge impact.

Participation would also benefit from growth in events as the exposure to high level equine activity would provide role-models and desirable media attention for younger potential
Raising the events profile was the original vision of ‘Hoof Cheshire’ in 2010 that saw value in this – attracting new businesses tourism and exposure to the sport which can stimulate participation. Although a commercial part of the industry, the multiplier effects both internally in equestrianism, and externally on the local economy are numerous.

6.1.5 Adhesive – Communication & Collaboration - What ties them all together is communication and collaboration. This is what provides the adhesive for the different aspects of the equine community and helps foster the benefits of clustering- building upon the strength of networking in our focus groups, the Hoof Cheshire work of yesteryear, and the recent and planned BEF Hoof network. Due to the nature of the equine sector, many inputs, services and skills are required to support just the average horse rider. The nature of the activity is not footloose, especially at the amateur level – horses needed to be kept in close proximity to their residence; supplies of feed and tack need to be readily available, as does veterinary, farrier and training facilities. This reliance on many other parties is what differentiates the sport from others; it is more of a ‘sector’. Many people do not even get involved in active participation, they are breeders, trainers, enthusiasts, spectators and business people. This need for support is why the community aspect is so strong, and why communication and collaboration holds the key to excelling in the aforementioned 4 themes.

Physically, the continuation of the ‘Hoof network’, recently instigated by the BEF, will provide networking opportunities and support business in means of attracting new riders to achieve their participation targets. Although some support in training, development, health and safety and employment law will be provided, the agenda will not stray towards the wider aim of clustering and bringing the equine community together in a harmonious collaboration. In order to achieve this level of integration a virtual platform to allow B2C and B2B interaction communication is a necessity, and the following action points aligned with the above themes provide a framework for cluster development.

People

- Contacts & communication for collaborative working
- Volunteer Chair opportunity
- CPD opportunities (workshops/guest speakers)
- Staff Training & skill development opportunities

FIGURE.31 - Source: Hoof North West Network (2011)

The BEF Hoof network proposes a ‘Hoof People’ (fig.31) initiative led by a volunteer chairperson, with regular opportunities for smaller working groups to meet. One disadvantage of this is the lack of distinct aims of these meetings – a concern raised at the recent focus group events. Regular meetings should be focused around the delivery of
certain idea, with less frequent physical networking events – they are very costly both in time and resources and have few conclusions or success in creating this desired collaborative ‘groupthink’ environment. Relevant, core groups should meet to establish the action points outlined below and set the wheels in motion, but there is not necessarily a need for very regular meetings. For example, the proposed employment exchange may only meet annually to discuss to re-design of syllabus and feedback the successes/failures from the previous year. Although the impact of each of these actions will hopefully create a positive impact elsewhere in the sector, meetings need to be succinct and only involve those who can deliver the programmes. Communication in the form of a regular newsletter can aggregate all of the activity for the wider audience to read.

Action Points:
The following action points correspond to the initiatives poised for each of the’ four pillars’ (figure.28) and lay out the next steps summarised into achievable action points for both CW&C and the Cheshire equine sector to achieve growth.

**Training & Education**

- CW&C representative to provide voice between industry and educational institutions.
- Regular meetings and feedback help tailor programmes to be more vocational and ensure that work experience is provided to passionate young Cheshire equine enthusiasts. E.g. clear opportunity between Manor House and Reaseheath.
- Improving the recruitment process for business and developing trust with colleges. Recruit with confidence, at lower cost and relevant skills - reducing the need for further training.
- Adding value to educational institutions prospectus’ that can advertise affiliation with particular high-profile businesses and ‘sell’ high graduate employment rate.
- Liaise with CW&C ‘Employment, Skills & Learning’ who can build rapport with Reaseheath (Cheshire East), Glyndwr (Wrexham) and Harper Adams (Shropshire).
- Build upon informal meeting with colleges to deliver this objective; facilitating an exchange. Partnerships would then meet of their own accord every 6 months/year or however often they see fit.
- Reinforce the importance of apprenticeship schemes and work experience to make the courses vocationally viable.
- Look into the feasibility of developing a farrier course at Reaseheath to meet the growing demand for their services.
Participation

• Support Sport England funded ‘Hoof network to pursue 16+ participation- piggy-back onto these events for networking and pushing other themes

• Hoof steering practical support to organizations, such as health & safety and employment law. BEF providing some capital and revenue funding for projects which can increase opportunities for riders. This will impact upon the whole spectrum of ages, not just their 16+ age group

• Assist riding schools to roll out a pilot ‘riding in schools’ programme. Using areas with many riding schools in a close proximity to garner a critical mass before extending pan-Cheshire.

• Help secure stable business for local riding schools in quiet periods, helping them hire staff and invest with more confidence

• Provide an opportunity to children who don’t have the financial assistance or parental buy-in to try riding in their leisure time.

• Promote Reaseheath to pursue the development of a riding school following huge demand for young riders they have witnessed.

Business & Economy

• Using an online forum/website to establish a business network (B2B) and associated loyalty scheme (B2C mainly, but also B2B transactions). This could be based on a similar model to ‘racing rewards’ in which points are rewarded which can be used to redeem related equine benefits. It would not simply offer flat discount off fundamental products, but reward those shopping ‘locally’.

• Loyalty card/membership incentivises spending in the Cheshire equine community through offers and collaborative marketing. Can increase repeat business and help establish relationships between businesses involved.

• Collaborative marketing has greater effect and greater return on small investment – business could contribute 20% of their marketing budget.

• Develop social networking (Twitter) as the primary information tool on this online resource. Configure a twitter feed embedded onto website to allow certain contributors who can pay for this privilege. This centralizes Cheshire equine news and each party will have their own agenda to update this; providing a more current and efficient solution than having a news website requiring editing/writers etc.

• Use horse & country TV channel to air a promotional programme that would attract new businesses to the area based on the strength of the incumbent parties.
Events & Marketing

• Physical group meet to create a Cheshire calendar. Pool some resources to market Cheshire’s equine calendar. This can provide more powerful marketing than in isolation, especially on a national and international scale.

• A festival/tour of Cheshire would create a much more attractive tourist proposition. Increased attendances and higher level of competition, coupled with collaborative campaign used as greater leverage to lobby NGB’s for preferential dates and support. It is currently very difficult to have any power over governing bodies, a good approach could be to show how successful the area has been and how it can attract an audience from far and wide.

• Synergy between equine disciplines grouping their events could attract more spectators and competitors, nationally and internationally. Benefits could be offered to those attending several events, such as reduced entrance or a multiple ticket. Spectators or participants interested in more than one discipline would

• Marketing Cheshire to look at their INVEST programme which could focus on equine as a sector-specific focus. This could help to raise the profile of the area, which coupled with a sufficient, skilled labour pool could create an attractive proposition for new business development in the area.

• Importance in attracting new business into Cheshire - could be promoted as a celebration of the strengths of Cheshire and the supply network in place for a new equine businesses.

• Using Marketing Cheshire to disseminate the opportunities for advertising for local businesses at local events. Sponsorship can be difficult to attract but can be extremely valuable.

• Tie in with business network loyalty programme to offer consumer facing promotions and offers in conjunction with events. The business network involved in the scheme could advertise and market more effectively as a whole.
Chapter 6 wraps up the report, developing action points under a four pillar model, touching on the aspects of the sector which are the most pertinent issues raised in the research and focus group engagement.

Training & education; Events & marketing and business & economy will have private sector led initiatives which will be supported by members of CW&C, who will establish the necessary relationships and partnerships to deliver these actions. Participation will receive significant attention from BEF who look to meet Sport England targets as part of the Olympic legacy. However, CW&C will also help the private sector to target the grass roots participation for younger riders.

It is crucial to note the focus on these four ‘pillars’ and the omission of any actions regarding the growth of specific elite level provision or breeding. Although research into case studies showed the economic benefit of breeding in Normandy, the wider benefits to society are not as conspicuous or have as clear a multiplier effect as some of these ideas. They would undoubtedly bring investment and jobs if the breeding operations grew significantly, but it is a niche business and doesn’t touch the masses in the equine populace currently, but may be a focus of future work if these actions are successful.

7. Next Steps

This report has laid out a structured analysis of the Cheshire equine sector and has cited the potential areas which can be targeted to develop a cluster as a means for growth. Action points have been suggested to target four specific themes which will, in practise, have positive effects throughout the sector, building on the incumbent critical mass and strength in knowledge, resources and facilities.

Taking this forward, CW&C rural regeneration team will look to provide a conduit between the educational institutions and businesses initially, before the impetus is placed on the stakeholders themselves. BEF’s vision for participation (Chapter 3) will be supported— they will be earnest in distributing their funding to reap the most reward; they have their own targets to meet. This will vision will be under the guise of ‘Hoof’ as part of their national branding of these aims. CW&C will help plug the gaps in the younger age range by coordinating a link between riding schools and schools to increase the opportunities for young riders.

A Hoof ‘Business Network’ will be developed as an umbrella for the action points of ‘Business & Economy’ and ‘events & marketing’. Marketing Cheshire and CW&C will provide a resource to discuss the opportunities at relevant meetings and help market the county as
a whole. However, the onus will be upon the private sector to fund and deliver the concerted marketing and loyalty schemes.

Structure of Delivery

Finally, a set of KPI’s have been established in Chapter 4 by which any future growth and the success of this project can be measured.

8. Limitations

There are several limitations which have limited the report, and will constrain the action points going forward.

When collecting data much of the records categorise Cheshire as one county- it has been difficult to differentiate between Cheshire and CW&C and Cheshire East. Furthermore, individuals and businesses do not make decisions which take the borders into account, creating a grey area around all borders (between CW&C and CE; and Cheshire and the surrounding counties). Furthermore, for mobile businesses, such as farriers, it is difficult to determine their contribution to Cheshire. As was previously mentioned, many offer services far afield and as a result, many CW&C farriers will shoe horses outside of area. Likewise, farriers from outside CW&C will shoe horses within the area. Estimations regarding the value of the economy have been based on the horse population, which is less mobile, and the average maintenance cost includes farriery and other veterinary care, so this should not skew the results too much.

Some of the data and information is secondary, not primary, due to the time constraints of the research. As a result, the accuracy is therefore out of my control, but I maintain confidence that the individual sources of information have it in their best interests to be accurate as they are using this information as an integral part of their business.
In the summary of action points (Chapter 6) the justification for focusing on 4 major themes is justified. These four pillars do cover the majority of businesses and participants but most importantly are deemed to have the most direct effect on rural regeneration and increasing the strength in numbers or power of the cluster.

Finally, the impact of this report is ultimately in the lap of the private sector businesses and individuals. CW&C will facilitate the action points in coordination with the BEF but, as the literature suggests, direct financial support is not the most effective way of stimulating cluster development and growth. The multitude of benefits should be sufficient to ensnare the motivation of the Cheshire equine sector. Making this report available in the public realm will help educate and inform everyone of the potential in store.
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