

## **RURAL DEVELOPMENT GROWTH PROGRAMME FOR ENGLAND APPLICATION FOR FUNDING**

**Head of Service/Contact:** Amardip Healy, Chief Legal Officer  
**Annexes/Appendices (attached):** None  
**Other available papers (not attached):** None

### **Report summary**

**An expression of interest for EU rural funding to support the development of visitor signage and appropriate visitor infrastructure on Epsom & Walton Downs has been successful. The next step is to consider submission of a full application, for up to £142,500 of EU funding. To do this there would be a requirement for local match funding of £7,500 private sector funding and up to a maximum of £20,000 from the Conservators in 2019/20 for revenue costs.**

**The report also seeks a budget of £6,300 in 2018/19 to support the development and submission of a full application by early 2019.**

### **Recommendation (s)**

**The Conservators agree:**

- (1) To note the success of the Expression of Interest in the European Agricultural Fund for Rural Development (EAFRD).**
- (2) To support the development of a full EAFRD application bid, based on the project identified within the Expression of Interest, subject to ongoing development and feasibility work.**
- (3) To allocate a budget of £6,300 to develop the full application, to be funded from the working balance.**
- (4) To seek support from the Jockey Club for the required private sector funding contribution of circa £7,500.**
- (5) That the project revenue elements totalling a further £20,000, be funded from the working balance.**
- (6) That an annual contribution to the working balance of £6,580 should be built into the draft 2019/20 budget, to replenish the working balance over a period of four years.**

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### 1 Background

- 1.1 The Epsom & Walton Downs, is recognised for its unique racing heritage, however, it lacks a formal identity, sense of arrival, and supporting infrastructure for both residents and visitors alike.
- 1.2 Initial scoping had been undertaken to review possible investment in carefully selected entry signage, trail signage and visitor infrastructure to help improve the identity of the Downs and to create better linkages between the town centre and the wider Downs.
- 1.3 Increasing all-year round access to the Downs was included in the scoping, as was greater integration into the wider visitor economy 'offer' in both Epsom & Ewell Borough and adjacent East Surrey. This was in-line with a pan-East Surrey rural tourism project, also funded via the EAFRD programme via an earlier call.
- 1.4 The lack of local funding was identified as a key barrier to fulfilling this aspiration. Our economic development advisor identified a possible funding opportunity via the final round of the EU's European Agricultural Fund for Rural Development (EAFRD) programme. The Coast to Capital LEP area had a notional £3.5m EAFRD allocation across three measures: rural tourism, rural food and drink and rural business infrastructure. It was felt the potential Epsom Downs project had greatest synergies (and chance of success) with the Visitor Economy measure.
- 1.5 The EAFRD fund is a capital only fund, normally requiring 60% own funding, versus 40% grant funding. However, for public bodies with projects that do not generate income, the grant funding percentage can be increased significantly. Commercial funding applications are normally limited by State Aid De-Minimis rules, notionally £175,000 at prevailing exchange rates. Public sector applications are not limited by De-Minimis but the Rural Payments Agency, the body which assesses bids, assess whether bids demonstrate good value for money and economic growth outputs are considered, such as an increase in visitor numbers, extension of the season, and spin-off economic growth for related sectors.
- 1.6 The EAFRD programme has a number of stages; initially an outline expression of interest (Eoi), which is assessed by the Rural Payments Agency and then passed to the local Coast to Capital area EAFRD sub-committee for assessment against local strategic fit. If both Rural Payments Agency and Local EAFRD committee agree, the Expression of Interest application is approved for development as a full funding application.

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- 1.7 The EAFRD full funding application is a significantly larger and more complex process than the Expression of Interest application. It requires a full business case, which includes financial spreadsheets, quality supporting evidence, accurate costings, planning permission (if needed), written support from other partners and stakeholders and a full delivery plan. The step change between Expression of Interest and full application is considerable, hence there is currently approximately a +40% attrition rate between Expression of Interest and full application.
- 1.8 Some initial informal scoping was undertaken with the Jockey Club to gauge their support for a funding bid and whether they could provide some match-funding to support the application. Feedback from the Jockey Club has been positive.
- 1.9 With the deadline for Expressions of Interest looming, it was decided to quickly develop an Expression of Interest application around the Epsom Downs project concept, in the knowledge that it could easily be adapted if invited to full application stage. The submission of an Expression of Interest application is without any commitment.
- 1.10 Our Expression of Interest was developed around the following overarching theme:  
*“The project will celebrate the rural nature and equestrian heritage of the Epsom & Walton Downs, promoting the area as an all-year visitor destination through innovative signage, landmark gateways, visual interpretation and branding. Stimulating economic activity both up on the Downs and linking to nearby Epsom town”*  
(50 word summary from the EoI).
- 1.11 The focus of the Expression of Interest application was:

***Our aim:***

*To sustainably develop the 600 acre Epsom & Walton Downs as an all-year visitor destination, recognising and celebrating the areas racing heritage and adjacency to the Epsom Racecourse.*

***Our objectives:***

*A. Using infrastructure, signage, and interpretation create a strong visual identity and branding for Epsom & Walton Downs, with clear connections to the racing industry.*

*B. Provide clear directional aids across the Downs to help visitors explore, including routes from the Town Centre to the Downs, with routes suitable for walking and cycling.*

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*C. Use interpretation and innovative signage to provide historical information, points of interest, and links to accommodation, restaurants, local attractions (such as the Woodland Trust's Centenary Wood) and other local businesses.*

*D. Provide three iconic gateways to the Downs.*

- 1.12 Our application also had to give a maximum 500 word justification for the project which was as follows:

*The area is an important chalk grassland habitat and there are a number of rare plant species present in some locations on the Downs. These include three national scarcities: the Round-Headed Rampion, Bastard-Toadflax and Chalk Hill Eyebright. The variety of habitats also provides breeding and feeding places for several declining bird species such as the Skylark. Important populations of Small Blue and Chalk Hill Blue Butterflies are also present.*

*Interpretative and innovative signs will inform visitors of the rich, racing heritage and provide links to other local attractions such as the newly developed, Woodland Trust Centenary Wood and local businesses such as the Derby Arms, Rubbing House and Tattenham Corner pubs and the Holiday Inn hotel, increasing trade beyond corporate and local use to a popular, short break destination. We see the project significantly increasing economic activity and growth outside event and race days.*

*The new brand and sign scheme will promote the many activities that can be enjoyed on the Downs such as hack riding, flying model aircrafts, kite flying, rambling, nature conservation, dog walking, running and cycling it will encourage visitors to stay longer, explore wider, positively share the experience and return in the future.*

*New maps and signs will help visitors to navigate safely over 600 acres of open space and will serve to educate visitors on the importance and heritage of the horse race industry, which uses the open gallops on the Downs daily to train thoroughbreds.*

*Epsom & Walton Downs is a haven for outdoor enthusiasts and this project will seek to tap in to this market and encourage tourism from this growing sector. As this project seeks to enhance the Downs as an area of outstanding, natural beauty this will benefit all surrounding businesses.*

*The Borough of Epsom and Ewell is largely overlooked as a rural destination, often perceived as being very urban, although the southern sector of the Borough is highly rural with both the Downs and Horton Country Park. We see the strengthening of the Downs offer supporting the wider aims of the East Surrey EAFRD tourism cooperation project and aspirations of Visit Surrey DMO. We see no displacement of visitors from other areas or other racecourses.*

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- 1.13 In light of the Expression of Interest development timeframes it was not possible to obtain accurate costings for the project. Instead estimates were used in the knowledge that if invited to full application, the project would need to be fully costed via a robust procurement process. The headline capital costs submitted were as follows:

Item (Capital)	Indicative Cost
Iconic Gateway's to the Downs on three key access roads c£25k each	£75,000
Epsom and Walton Downs branded signage and directional aids	£35,000
Epsom and Walton Downs branded interpretation signs and infrastructure	£20,000
Enhanced visitor facilities and infrastructure at viewpoint/car parks	£10,000
Development of a microwebsite to give online information via QR codes	£10,000
Sub Total Core Project Costs	£150,000
Match funding (5%)	£7,500
<b>EAFRD Grant applied for (95%)</b>	<b>£142,500</b>

- 1.14 In addition to the above core project costs two revenue items, not ineligible for EAFRD funding, but would be needed to deliver the project to its maximum potential we included:

A. Development of Epsom & Walton Downs branding and visual identity at circa £15,000.

B. 'Welcome to the Downs' hospitality training for businesses, at circa £5,000. (For hospitality, food & beverage and retail businesses).

Both these items are outside the core project costs, but will need to be reviewed and declared at the full application stage once formally costed.

- 1.15 Our Expression of Interest was submitted by the application deadline and was assessed positively by the RPA assessor and local EAFRD committee. In late August 2018 we received formal notification that we have been invited to submit a full application. Within the letter of invitation, several clarifications were raised by the Rural Payments Agency, mostly technical, that we would need to directly address within any application.

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1.16 The Rural Payments Agency advise that full applications can take up to four months to develop, especially if requiring planning permission. The Agency wish to have most applications assessed by end of March 2019, therefore the current indicative project timeframe is:

- Full application submission in early January 2019
- RPA assessment by late March 2019
- Contracts agreed with RPA in April/May 2019
- Project delivery in summer/autumn 2019.

1.17 It should be noted that the invitation to full application is not a guarantee of funding, the full application process is still highly competitive and the full application pipeline of EAFRD projects is larger than the total fund available. However, the Expression of Interest attrition rate is high and historically well-developed and well-supported projects with the ability to deliver the agreed outputs score well and achieve funding.

## 2 Proposals

2.1 The Conservators are asked to agree:

2.2 To note the success of Expression of Interest (Eol) in the European Agricultural Fund for Rural Development (EAFRD).

2.3 To support the development of a full EAFRD application bid, based on the project identified within the Eol, subject to ongoing development and feasibility work.

2.4 To allocate a budget of £6,300 to develop the full application, to be funded from the working balance. This budget equates to 3.5% (or £5.25k plus VAT) of the total core project costs.

2.5 That private sector funding of circa £7,500 is sought from the Jockey Club.

2.6 That the project revenue elements totalling a further £20,000, which are not eligible for EAFRD grant funding, should be funded from the working balance.

2.7 That an annual contribution to the working balance of £6,580 should be built into the draft 2019/20 budget, to replenish the working balance over a period of four years.

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### 3 Financial and Manpower Implications

- 3.1 The Council does not have the officer capacity to develop this project or full funding application internally. We would need to seek specialist support from a suitably experienced contractor or consultant at an estimated cost of £6,300.
- 3.2 Following a successful bid, a further £20,000 of revenue costs would be incurred, as detailed in paragraph 1.14.
- 3.3 **Chief Finance Officer's comments:** *The working balance stood at £49,585 at 31 March 2018. Approving the recommendations would utilise up to £26,300 of this working balance in 2018/19 and 2019/20, with the Conservators requesting increased precepts to replenish these funds over four years from 2019/20.*
- 3.4 *There is a risk that should the Council or other preceptors not agree to the increased precepts required to replenish the working balance, then the Conservators would have to operate with a reduced working balance over the longer term, or look for an alternative means of replenishing the working balance.*
- 3.5 *The Conservators also hold a Repairs and Renewals fund with a balance of £31k, which can be used for unforeseen maintenance works.*

### 4 Legal Implications (including implications for matters relating to equality)

- 4.1 If the Conservators agree to go forward with this proposal and we are successful in securing grant funding, the Conservators will be required to enter into a legal contract with the Rural Payments Agency to ensure that the project is delivered in accordance with their standard terms and conditions.
- 4.2 **Monitoring Officer's comments:** there are no comments arising from the contents of this report.

### 5 Sustainability Policy and Community Safety Implications

- 5.1 If successful, this project will ensure that the Downs contributes to the borough's economic sustainability and will promote the site as a year round visitor destination.
- 5.2 Improved signs will help visitors to navigate the area safely and will ease conflict between the various user groups.

### 6 Partnerships

- 6.1 We will be required to consult with the appropriate partners and stakeholders such as Surrey CC, Visit Surrey CIC, adjacent authorities.

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### 7 Risk Assessment

7.1 Potential risks are that:

7.1.1 We do not receive the required planning consents

7.1.2 We do not secure the required private sector match funding

7.1.3 Our full application is unsuccessful

7.1.4 The EAFRD fund is oversubscribed

7.1.5 Government intervention such as caused by exit from the EU

7.1.6 There is a risk that should the Council or the other preceptors not agree to increased precepts needed to replenish the working balance, the Conservators would have to operate with a reduced working balance over the longer term, or look for an alternative means of replenishing the working balance.

### 8 Conclusion and Recommendations

8.1 Progressing the Expression of Interest to a second stage application presents a rare opportunity to inject significant capital investment in to this unique and historically important landmark.

8.2 It is recommended that the proposals that the EAFRD Epsom & Walton Downs Expression of Interest and wider development project is supported and progression to full EAFRD funding application is agreed as detailed in section 2 of this report.

**Ward(s) Affected:** College Ward; Woodcote Ward;