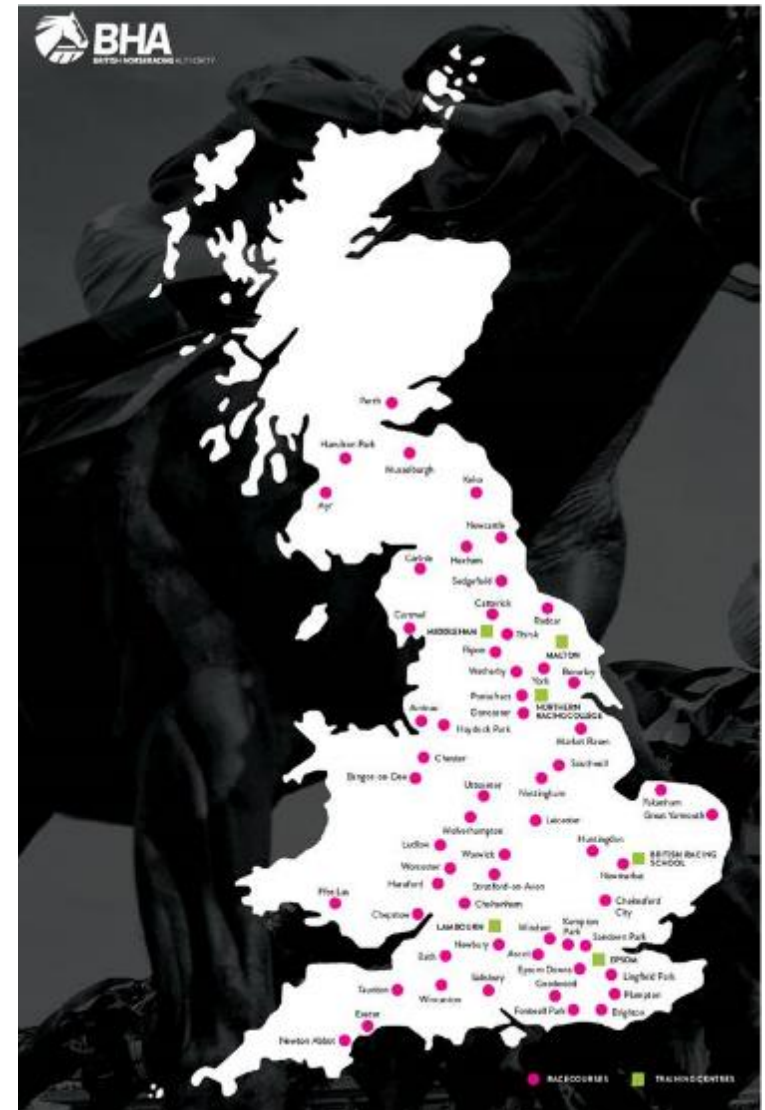




An introduction to Racing
Julie Harrington, Chief Executive, BHA
Welsh CPG
December 2021

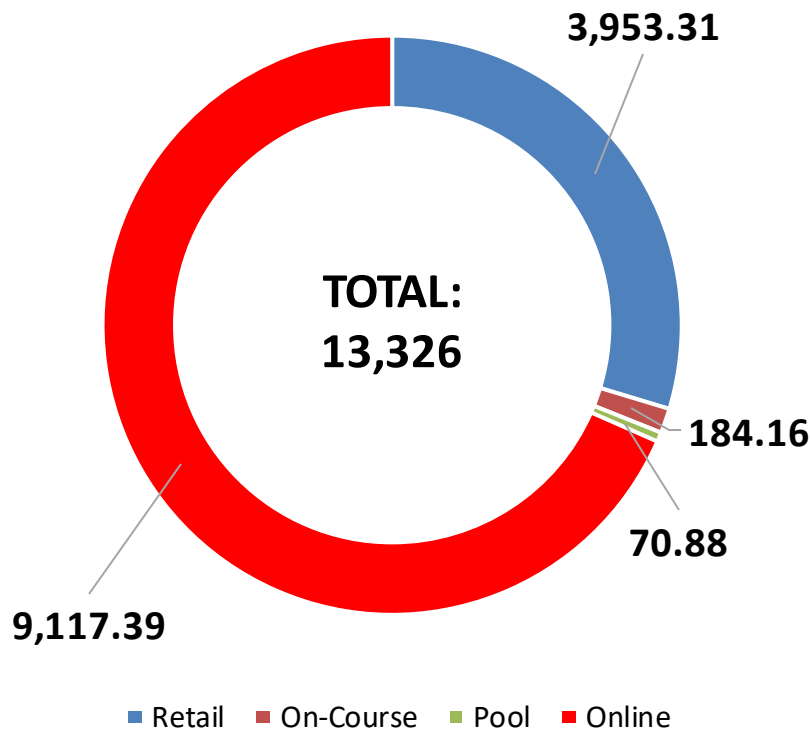
Our industry

- World-leading International Thoroughbred Racing industry
- Second highest attended sport in Britain
- Ingrained in British sport, culture and society
- Significant economic impact:
 - £4.1bn+ annual expenditure
 - Direct, indirect and associated full-time employment for tens of thousands
 - Generates substantial inward investment in UK PLC
- Huge geographical breadth
 - 59 Racecourses, 550+ Training Yards and thousands of Breeding operations, associated infrastructure
 - Predominantly rural impact



Racing by numbers

Betting Turnover (£m)



- Britain's **second largest** sport – by jobs, revenues and attendances
- Prize Money of **£100m** in 2020
- Betting turnover of **£13.3bn** (April 2019 - March 2020)
- **5.62m** attendees at race meetings in 2019
- **4 of the top 10** highest attended, annually held sporting events
- **Most broadcast sport** on free-to-air television – ITV deal through to 2023

The Welsh racing industry

- **3** racecourses in Wales (Bangor-on-Dee, Chepstow and Ffos Las)
- Racing is the third best attended sport in Wales behind Football and Rugby Union – **155,000** individual visits in 2019
- There are currently **20** trainers licensed by the BHA in Wales plus a considerable number of Point-to-Point yards in Wales
- Foaling data points to Powys and Carmarthenshire as hubs for thoroughbred breeding
- Sales house at Yorton Stud in Powys for young National Hunt horses



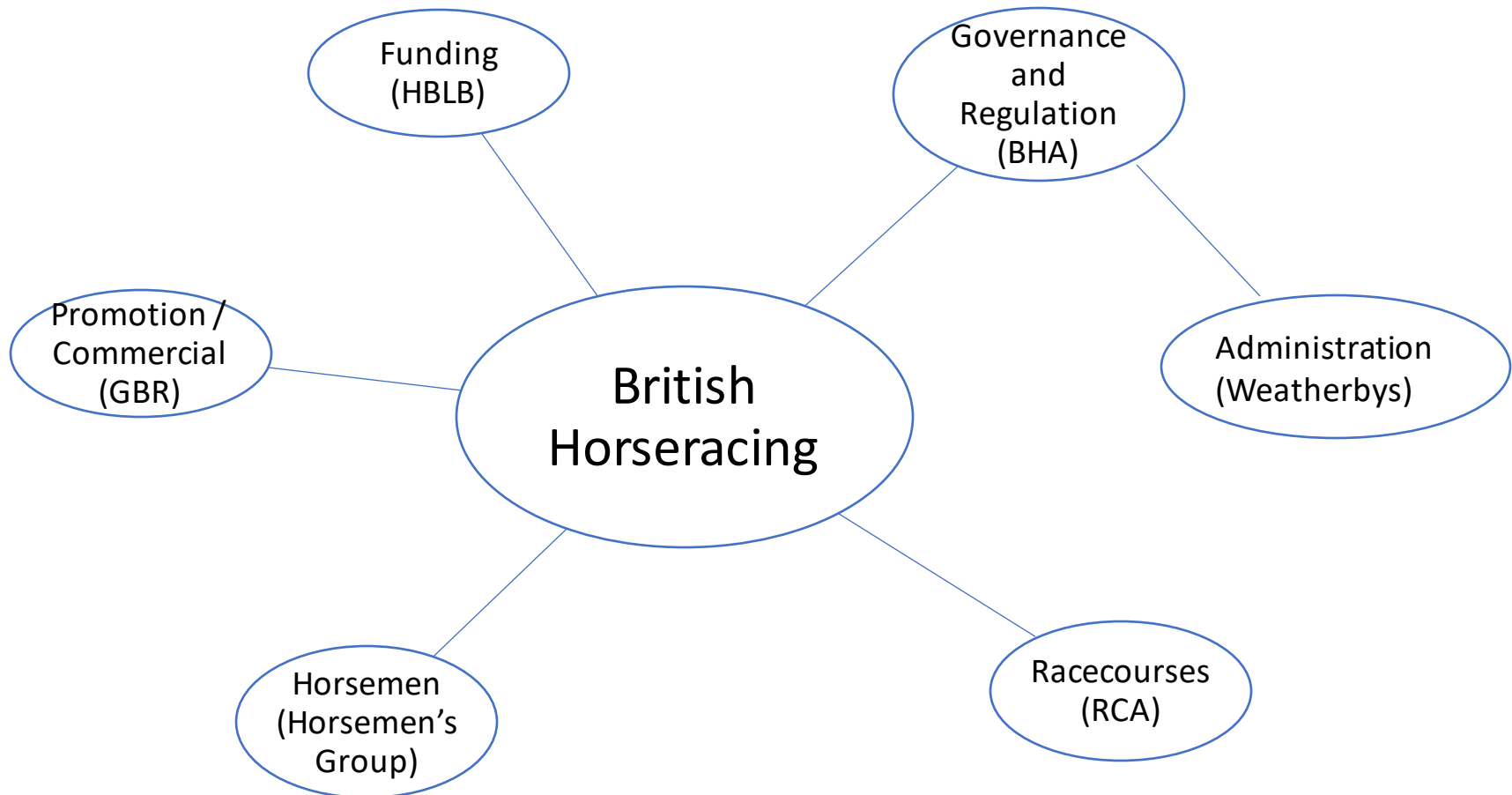
The effects of the Covid-19 pandemic

- Racecourses have collectively lost **£400-£450million** owing to spectator restrictions
 - Less than **700,000** racecourse visits made in 2020 – compared to **5.6 million** in 2019
 - **329** fixtures lost during British racing's suspension between 17 March and 1 June 2020 (and later return in Scotland/Wales)
 - Total Prize Money **dropped by a third** in 2020 to just over **£100m** including bonuses
- BUT....
- Horses in training numbers, and betting turnover on the sport, have held up well
 - Protocols enabled sport to continue throughout later lockdowns and restrictions



The structure of British racing

The industry structure



Governance and regulation – British Horseracing Authority

A merging of the core functions of

British Horseracing Board
(Governance)

+

Horseracing Regulatory Authority
(Regulation)
(The Jockey Club)

-

Commercial activity

Formed in 2007

Chair – **Annamarie Phelps**

➤ **10** strong Board of Directors

Chief Executive – **Julie Harrington**

Supported by team of seven Executive Directors covering broad range of BHA's responsibilities

Review of the BHA's structure currently being undertaken.

Ownership of the BHA is split 50-50 between Racecourses and Horsemen (ROA, TBA, Licensed Personnel)



Racecourses



The Racecourse Association – the representative trade body for Britain’s 59 racecourses.



14 Courses



16 Courses



3 Courses

26 more racecourses in Britain which operate as Large or Small Independent Courses.

Racecourse Groups

The Independents



THE HORSEMEN'S GROUP

INDUSTRY STRUCTURE

Horsemen

Horsemen's Group



nars

National Association of Racing Staff

NTF

ROA

PJA

Owners

Trainers

Jockeys

Stable Staff

Breeders



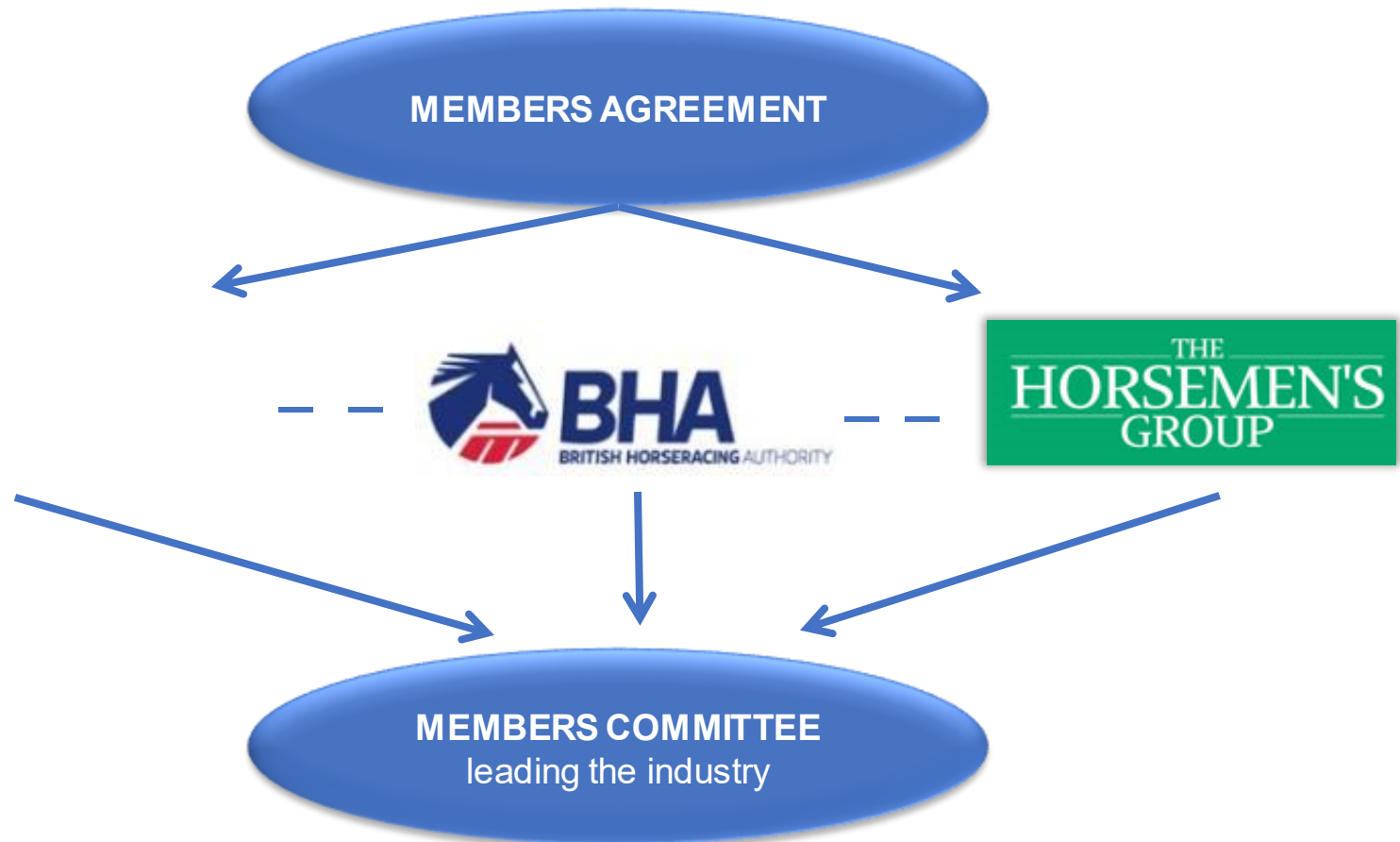


RCA

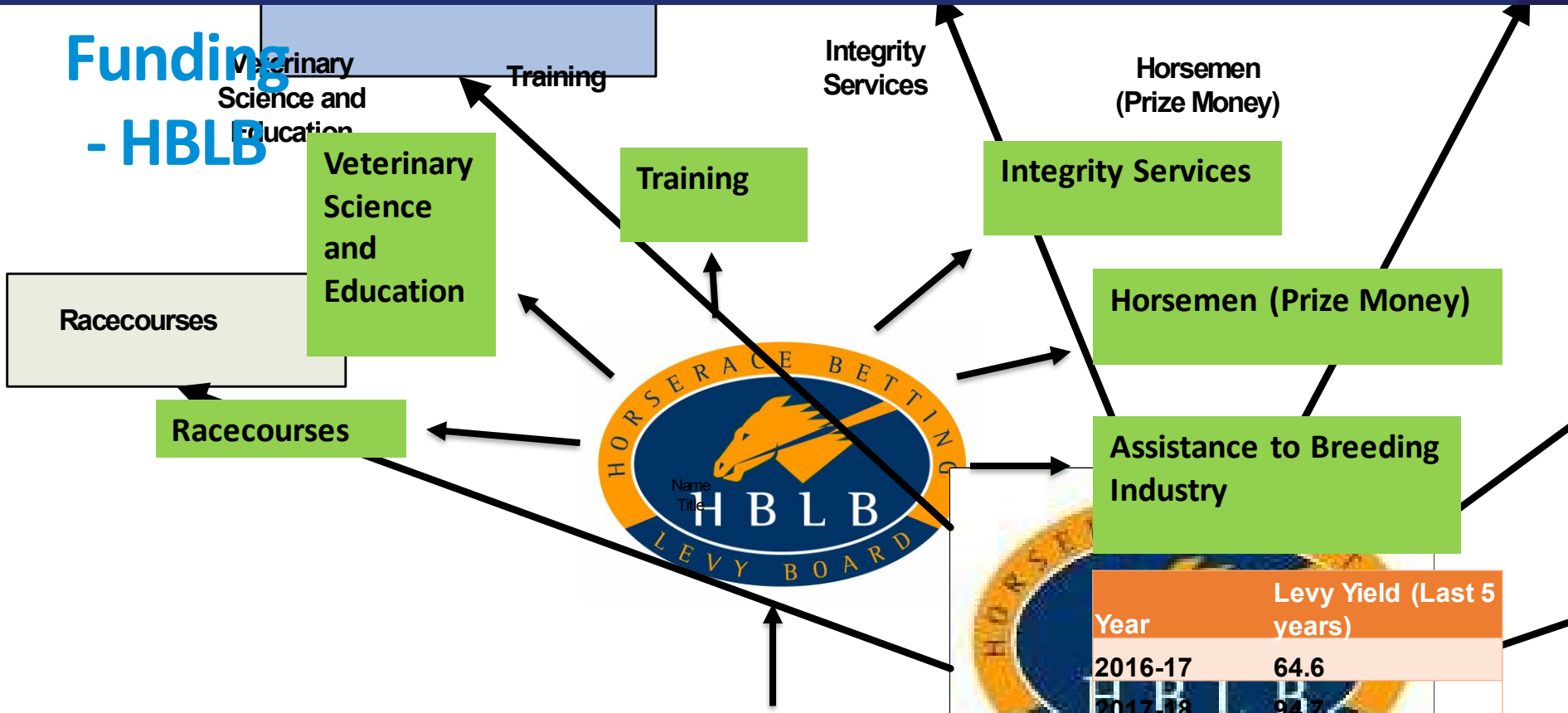
Racecourse
Association
Est. 1907

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INDUSTRY STRUCTURE



Funding - HBLB



HBLB Board

3 x Government Appointed Members

3 x Racing Appointed

British 10% of their gross win of more on Racing.

Year	Levy Yield (Last 5 years)
2016-17	64.6
2017-18	94.7
2018-19	83
2019-20	97
2020-21	80

Key Challenges & Plans

Equine welfare – horseracing's social licence

- High equine welfare standards in British Racing:
 - **10,000** dedicated employees to care of thoroughbreds between studs and yards
 - **C.£35m** in veterinary investment since **2000**
 - Fatalities down one-third to five year rolling average of **0.19%**
- Key reputational and existential risk for future of the sport – set against evolving public and political expectations
 - Gordon Elliott /Panorama challenging for British racing in 2021
 - Labour/Lib Dems both had manifesto commitments in 2019 General Election around equine welfare in horseracing
 - Horseracing a devolved issue in both Wales and Scotland, vital to keep politicians updated on our work around welfare in both nations
 - **68%** oppose the use of the whip in British racing according to Animal Aid poll

Horse Welfare Board Recommendations

- Improved lifetime traceability – Notification of foals at 30 days from birth
- Enhanced welfare assessment and benchmarking
- Innovation in fence design and construction as part of raised safety standards
- Development of a jump racing ‘risk’ model
- Increased veterinary presence at fixtures
- Review of aftercare provision
- A open consultation on the use of the whip in British horseracing (recommendations to be made and implemented in early 2022)



Welsh Racing – Challenges and Next Steps

- The business rates system is currently squeezing our training yards – who are significant rural employers – proving a barrier to growth and trapping trainers in a scenario where even if they lose horses they are stuck with the same rates.
- The BHA has fed into HM Treasury consultations on this subject, but would also appreciate representations from members into the Welsh Government on this matter
- Other challenges include building more of a profile for our sport – including increasing our spectator base - in an environment dominated by Football and Rugby.
- We currently lack when it comes to data specific to the Welsh racing industry
- The creation of a Welsh Racing Brand seen as key to improved outcomes on both of the above. This project is in its early stages and the CPG will be kept up to date on progress.

Levy Reform – The Next Step

- British Racing is still receiving a low statutory return from betting activity compared to other jurisdictions, which is putting real strain on prize money and the sport's international leadership position
- A review of the Horserace Betting Levy is due to take place in 2024, but we believe this needs to be accelerated
- Any wider reform of the Horserace Betting Levy could include:
 1. A return - building on historic and international precedent - through the Levy on bets placed by British customers betting on all horseracing taking place worldwide.
 2. Levy being charged on turnover rather than gross profit – reflecting growth of digital betting, tying levy yield to overall activity levels on the sport and removing situation where racing wins if customers lose

The Gambling Act Review

- The UK Government launched review of the 2005 Gambling Act in December 2020, with initial call for evidence concluding in March 2021
- UK Government seeking to make gambling legislation ‘fit for the digital age’ and reflective of massive shift in the gambling market post 2005 with hundreds of betting brands setting up in a busy market and a major transition from betting shops to the online space
- White paper of recommendations due in Q1 2022 with legislation to follow
- Areas of focus include affordability, advertising and sponsorship, the role of the Gambling Commission and player protections online.



Gambling sponsorship on football shirts seems likely to end, but will racing be included in wider measures?

Online Safety Bill

- Draft Online Safety Bill has been released by UK Government
- On behalf of the industry, the BHA recently responded to an inquiry by the Online Safety Bill Joint Committee in which we outlined the abuse that racing industry participants receive on a daily basis
- British Racing took part in a social media boycott with other sporting bodies earlier this year to highlight abuse (including racism) on sites like Twitter, Facebook and Instagram
- Racing strongly supports the introduction of the Online Safety Bill, and we want to see it enacted as soon as possible albeit with some alterations to the bill like the listing of abusive messaging as a priority harmful content



2022 CPG Draft Schedule

Q1 – Presentation of ‘Welsh Racing’ brand plans with to the group, cast list tbc

Q2 – CPG day with Training yard and racecourse visit (likely at Ffos or Chepstow) – *to be arranged well in advance*

Q3 – Prominent Welsh Racing horsemen & women (jockeys/trainers) session in their off season

Q4 – State of the nation for industry in Wales at the end of 2022 (representatives from the BHA, Racecourses & Horsemen’s Group)

