

COUNTRYSIDE ALLIANCE BRIEFING NOTE: GOVERNMENT SUPPORT FOR THE HORSE RACING INDUSTRY

Westminster Hall, Nick Timothy MP

Thursday 24 October 2024

- **The recent week of 7-15 September marked National Racehorse Week, in which training yards, studs and aftercare centres around the country opened to the public as a celebration of racehorses and to demonstrate the care they receive.¹**
- **The annual economic impact of horseracing is estimated at £4.1 billion in direct, indirect and associated spending, much of which benefits rural areas, with over 20,000 people directly employed by racecourses.**
- **The Horserace Betting Levy Board, which funds the grassroots sport, does not receive direct support from the Government, but instead from a levy on bets that in 2022-23 produced a revenue of £100 million.**
- **In recent years, racing has come under assault from forceful protests by animal rights extremists. The Countryside Alliance is concerned about the impact of increasingly militant protests by animal rights extremists on the sector, as on others. The illegal disruption of lawful activity must not be tolerated.**
- **Pending reforms to gambling legislation, including the introduction of affordability checks, must be implemented in a way that avoids having a disproportionate impact to negligible benefit.**

Impacts of racing

- **In evidence submitted in 2020 to an inquiry into the impact of Covid-19 on DCMS sectors, the British Horseracing Authority (BHA) – the governing and regulatory body for thoroughbred horseracing in Great Britain – characterised racing as *“the UK’s second largest sport behind football in respect of attendances, employment and revenues generated annually.”***
- **It estimated the annual economic impact of the sport as raising £4.1 billion in direct, indirect and associated spending for the British economy.**
- **Much of that spending, it pointed out, benefits rural areas. It calculated that *“over 20,000 [are] people directly employed across our 59 licensed racecourses, hundreds of training yards and thousands of breeding operations”*.**

¹ [National Racehorse Week](#)

- The BHA also pointed to the sporting, social and cultural significance of the sport. 5.62 million people attended race meetings across 1,500 events in England, Scotland and Wales, and the sport is the only one with two national events – The Derby and the Grand National – scheduled as Group A protected events for broadcast.²

Existing support

- Racing as a grassroots sport receives funding through the Horserace Betting Levy Board. The Board does not receive direct grant-in aid support from the Government or National Lottery funding, but instead is funded through the horserace betting levy on profits from leviable bets.
- In 2022-23, the levy generated an income for the Board of £100 million. With additional revenue from investment returns and a grant from the Racing Foundation, its total income in that year was £104.6 million.³
- The horserace betting levy was last reviewed in 2017, at which time it was extended to cover overseas bookmakers in respect of bets placed on British racing, and set at a fixed rate of 10% of profits on leviable bets.⁴
- Like other sports, racing received additional help from the Government in surviving and recovering from the Covid-19 pandemic. In November 2021, then-DCMS Minister Chris Philp MP reported that *“racecourses are accessing £21 million from the sport survival package. They have also had £28 million in cash-flow and hardship funding, in addition to which the Horserace Betting Levy Board provided £97 million in 2019-20 to support the sport.”*⁵

Current challenges

- Racing has in recent years come under assault from forceful protests by animal rights extremists led by Animal Rising, formerly known as Animal Rebellion, emboldened by similar actions from the environmentally focused groups Extinction Rebellion and Just Stop Oil. These have included invading racecourses in illegal attempts to prevent races taking place.
- Last year, both of racing’s premier events, the Grand National and The Derby, were affected by such protests. Neither was successful in preventing the events from taking place although the start of the Grand National was briefly delayed. The group subsequently announced that it would not continue such protests this year.⁶
- These protest groups claim to be motivated by concern for the welfare of racehorses. The BHA, however, has said that it is committed to the welfare of racehorses and has invested over £40 million in veterinary research over the past 20 years to the benefit of all breeds.⁷

² DCMS Committee, [Written evidence submitted by the British Horseracing Authority](#)

³ Horserace Betting Levy Board, [Annual report and accounts 2022-23](#), 11.12.23

⁴ House of Lords Library, [Horseracing industry: Government support and recent developments](#), 06.09.23

⁵ HC Deb, 18.11.21, [c712](#)

⁶ The Guardian, [04.04.24](#)

⁷ BHA, [Horse Welfare is the priority in British Racing](#), 01.06.23

- In 2020 the Government launched a review of the Gambling Act 2005, which resulted in the publication in April of a white paper on reforms to the law on high-stakes betting. Proposals included reforms to online gambling, with the aim of introducing background checks on customers making losses starting at £125 in a month or £500 in a year.⁸
- The white paper estimated that the loss to the horserace betting levy of £5-8 million a year, with additional potential losses to the industry in advertising and sponsorship revenue owing to reductions in bookmakers' income.
- The BHA welcomed the white paper but raised concerns about the possibility of unintended consequences and expressed the intention to engage closely with associated consultations. Specifically, it opposed the introduction of “*sweeping blanket checks on affordability*” and insisted that any new measures must be “*proportionate and targeted at individuals and their specific circumstances*”.⁹
- The Government maintains that “*the impact on racing will be minimal in the context of its overall income*”, and the financial checks are being “*designed so that they are frictionless*” and will not affect the majority of bettors.¹⁰
- These financial vulnerability checks were subsequently introduced from 30 August 2024, from which date licenced gambling operators have been required to investigate customers depositing £500 or more within a 30-day period to determine whether they are at risk of problematic gaming. The threshold will fall to the initially proposed £150 from 28 February 2025.¹¹
- Since the UK's departure from the EU, horseracing had experienced difficulties as a result of customs requirements on animals moving between countries. Thoroughbreds temporarily entering Great Britain were subject to a refundable financial guarantee equivalent to 20% of their value. In 2022, however, the Thoroughbred Industries Brexit Steering Group negotiated with HMRC a facilitation by which thoroughbreds under multiple owners would no longer require a financial guarantee.¹²
- The British Horse Council has reported that, under the previous government, new legislation was being developed on equine ID, and is campaigning for it to be digitised. This was expected to have positive impacts on welfare, disease surveillance, disease outbreak control, and theft and crime deterrents, and allow for smoother and more biosecure cross-border movements.¹³

Countryside Alliance position

- The Countryside Alliance supports the sport of racing on the basis of its economic and cultural contribution to rural communities and the UK as a whole.

⁸ DCMS, [Policy paper](#), 27.04.23

⁹ BHA PR, [27.04.23](#)

¹⁰ HC Deb, 15.06.23, [c417-418](#)

¹¹ Experian, [What gaming operators need to know about basic financial vulnerability checks](#), 05.24

¹² BHA PR, [16.08.22](#)

¹³ APPG for the Horse, Minutes, 22.02.23

- We remain concerned about the impact of increasingly militant protests by animal rights extremists on the sector, as on others. Protesters are free to take whatever views they wish and to express them in the public realm according to democratic norms, but the illegal disruption of lawful activity must not be tolerated.
- In reforming gambling legislation it is important for the Government to listen to the sector and avoids disproportionately impacting the sector to negligible benefit.

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