

A Blueprint for Racehorse Ownership in the UK: Our 50-Day Summary & Analysis of Racing's Recovery Plan

Ged Shields & Jon Hughes, www.keepownersinracing.com

September
2020

Our *Blueprint* was released through the *Racing Post* on 12th July 2020, when we challenged racing's leadership to produce and implement a recovery plan for British racing within 100 days. Encouragingly Nick Rust, CEO of the BHA, announced a plan, consisting of nine goals, on 24th August. While we commend its emergence, it received a somewhat muted reaction and there is clearly considerable work to be done over the next 50 days if it is to meet our challenge.

A

The Twin Tracks of a Recovery Plan: throughout the pandemic, the sport has worked well to achieve the resumption of racing. The immediate need is to welcome back racegoers and owners in greater numbers. In addition, racing must implement multiple initiatives to foster recovery.

B

Embracing Radical Change: the pandemic provides a once-in-a-lifetime opportunity to address deep-seated weaknesses in the sport and to implement wide-ranging changes, particularly in funding, fixtures, prize-money, the ownership experience, technology, data and marketing.

C

Dealing with the Contested Issues: achieving the radical changes needed to ensure racing's sustainability requires a readiness to identify and reconcile a number of fundamental, critical issues that currently divide leaders, stakeholders and the wide array of sectional interests.

D

Unity and Collaboration: an effective recovery plan could easily be broken on the back of discord. It is essential that warring factions lay down their arms. Compromise and mediation need to be the order of the day. The priority has to be the baking of bigger pies, not the division of inadequate ones.

E

A Plan of Action: the current recovery plan lacks specific objectives, well-structured activities, aggressive timelines, clear deliverables and explicit accountabilities. Delivery requires robust project management. There are real dangers of paralysis by analysis and interminable delays.

“ While these goals are admirable, as with the coronavirus itself it is not the diagnosis but the cure that is of utmost importance. For that, the wait continues.

Tom Kerr, *Racing Post*, 25th August. ”

A Racing Recovery Plan needs urgency and practical action.

It impacts a £3.5bn industry with 85,000 jobs, 40,000 total owners / syndicate members spending £527m p.a., 3,500 breeders, 592 trainers, 450 jockeys and 59 racecourses

September
2020



Industry Goals for a Racing Recovery Plan

- 1 To secure a full resumption of race-day activity, with the best possible ownership and spectator experience, and the maximum attendance possible.
- 2 To maintain the health and safety of participants, staff and all those attending race-day meetings by continuing the safe return of racing and adherence to strict controls on social distancing.
- 3 To put in place a fixture list and race programme for 2021 that balances increasing revenues with the wellbeing of participants and staff and takes account of the horse population.
- 4 To reduce the industry's cost-base and be agile where new opportunities to increase revenue can be seized and mitigate the impact of recession.
- 5 To seek to maximise prize money for 2021 balanced against the financial constraints of stakeholders and the sport's projected revenues, through new commercial agreements between Racecourses and Horsemen.
- 6 To agree a spending plan for central funds that best supports racing's recovery.
- 7 To retain key investors, including existing owners, and reform rules for syndicates and clubs to protect members and increase their appeal to potential owners.
- 8 To present a safe, high-quality and consistent offer to race-day and betting customers based on a thorough understanding of their changing needs and behaviours due to COVID.
- 9 To put in place foundations for a longer-term sustainable recovery for British racing.



Resolving Contested Issues

- Safety protocols and racecourse attendance:** how to boost racegoer and owner attendance, as an urgent priority?
- Allocation of current income:** how is this done equitably, transparently and in a way that retains owners?
- Maximisation of future income:** what are the major opportunities, their quantum and timescales?
- Purpose of prize-money:** is it to reward excellence and the breed, or attract and retain as many owners as possible?
- Total prize-money and its distribution:** what level will retain owners, and how is it to be distributed across all levels?
- Ownership strategy:** when will it appear and what will it cover?
- Re-sizing the programme:** what should size and shape of total fixtures look like to maximise income and levy while accommodating the horse population?
- Modernisation:** what investment is required in marketing, technology, data and digital communication?
- Governance:** how to organise BHA regulation vs. British Racing plc?



Our Top 10 Recommendations

1. **Stop fiddling while Rome burns:** act quickly. Launch an action-based plan.
2. **Put a lid on conflict:** resolve media rights using mediation & collaboration.
3. **Make going racing easy:** welcome race-goers back. Sort out owner badge allocations. Help them all to attend.
4. **Restructure prize-money:** 4th horse to receive £750. Reallocate from Class 6 up, rather than from Gr.1 down.
5. **Optimise fixtures & betting:** use to drive levy and maximise benefits for all.
6. **Implement an ownership strategy:** in 3 months, not 3 years. Impact major investors + owner-breeders + syndicates.
7. **Expand syndication:** reimagine its role. Launch a 2-year growth plan.
8. **Reinvent the ownership experience:** flexible packages, tiering of facilities, much better off-course experience.
9. **Boost income, cut costs:** 5 x £50m income initiatives. £50m cost reduction.
10. **Design British Racing plc:** BHA only to regulate. Invest in new commercial competences: marketing, technology, data analytics & digital communication.