

3<sup>rd</sup> September 2020.

### **The Need for a Recovery Plan for British Horseracing while Holding its Leadership to Account**

I am contacting you today, because there is a substantial horseracing sector within your constituency. Following a detailed discussion with Laurence Robertson MP (Joint Chair of the APPG for the Racing and Bloodstock Industries), I am seeking your support for actions that will encourage the leadership of British horseracing, specifically the British Horseracing Authority, the Racecourse Association, the Horsemen's Group and the Racehorse Owners Association, to produce a self-help plan of action to protect the sport, post-pandemic. Key points include:

- 1. The impact of horseracing on the economy:** the racing industry makes a £3.45bn per annum contribution to the UK economy, including taxes of £275m. After the financial crisis of 2008/9, there was a straight seven-year decline of ownership and horses in training. We believe, from our research detailed in *A Blueprint for Racehorse Ownership in the UK: Making retention and acquisition of owners the number 1 goal of a Racing Recovery Plan*, that the contraction post-pandemic will be of a greater order of magnitude – 20% or more.
- 2. Likelihood of significant redundancies and unemployment:** there are 59 racecourses, with an annual attendance of 5.7m (making it the second most popular spectator sport in Britain); 592 trainers, 450 jockeys and 3,500 racehorse breeders, directly or indirectly employing over 85,000 staff. A contraction in the sport of 20% or more will lead to considerable hardship.
- 3. Damage to SMEs, the rural community and the leisure and hospitality sector:** the majority of racing personnel and suppliers to the industry reside within rural constituencies. There is an “equine ecosystem” including stable staff, vets, farriers, feed merchants, transport drivers, saddleries and equipment suppliers whose livelihoods depend on the continuity of racing. They will struggle to find alternative sources of income to offset the likely contraction. Furthermore the majority of companies connected to horseracing are SMEs and in addition, racing makes a most important contribution to the leisure and hospitality sector across their local communities.
- 4. Equine welfare:** there were 23,500 horses in training prior to the pandemic, with 11,000 sole or joint owners and over 30,000 participants in syndicates and racing clubs. Most of these owners are ordinary men and women whose discretionary income could well be reduced by the effects of the pandemic on the wider economy. We forecast that over 4,000 horses may leave the sport and need to be re-homed, at a time when leisure riders may be reluctant to take on more commitments.
- 5. Investment by owners:** they spend £527m a year. A 20% contraction in ownership will lead to an immediate loss to the industry of £124m, but there is a more considerable multiplier effect of 1:7 on activities such as racecourse attendance, betting levy, bloodstock sales and media rights that, from our analysis, could total £868m. It is vital to encourage owners to maintain their investment in the sport.

Parliament has been supportive and generous to the racing industry, not least through levy reform and the lifeline of furlough, loans and grants throughout the pandemic. We believe that racing must now help itself and develop an industry-wide Recovery of Racing Plan to mitigate the coming contraction. The plan should be ambitious and radical in scope. It needs to be fully supported by every stakeholder in the sport.

***Encouraging the racing industry to address these challenges in a unified and collaborative manner would be assisted by Members of Parliament holding the sport to account, particularly through a formal request for the British Horseracing Authority to present their recently announced Recovery of Racing Plan to Parliament during Autumn 2020 in order for it to be properly scrutinised.***

I would be grateful if you could find time to discuss this letter and our Plan further (either remotely or in person), or join me when I present further details to the All-Party Parliamentary Group on Racing and Bloodstock on Monday 14<sup>th</sup> September.