



Horserace Betting Levy Board

National Horseracing College – BHA Overview Of Racing

Wednesday 19th November, 2020

History, Status and Function

Off-Course cash betting legalised in 1961 Significant loss of income to racecourses

Act of Parliament established the **Horserace Betting Levy Board (HBLB)** to manage the **Levy** introduced to offset the losses to racing

NDPB – Non Departmental Public Body

DCMS – Sponsoring Government Department

Section 24(1) of the Betting, Gaming and Lotteries Act 1963 requires the HBLB to assess and collect monetary contributions from bookmakers and to apply them for purposes conducive to any one or more of:

The improvement of breeds of horses;

The advancement or encouragement of veterinary science or veterinary education;

The improvement of horseracing

What does the Levy Board do?

Funding

- Collection
- Distribution

Fixture List

Loans/Capital
Credits

Independent
Oversight

Analysis Of
Betting

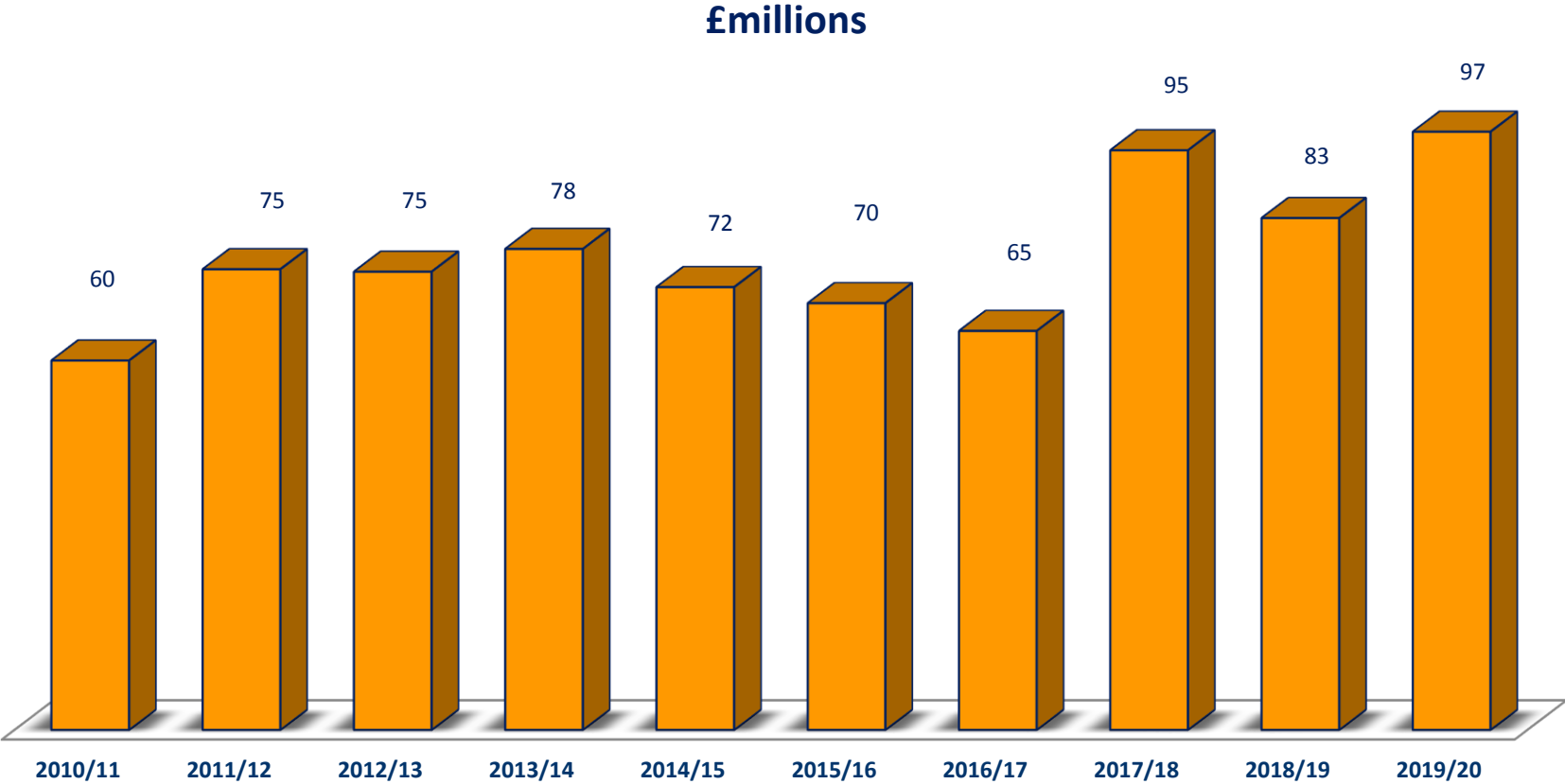
Veterinary/Breeds

Industry Projects

Levy Collection

- **Since April 2017, Levy applies to bets placed on British horseracing by person in GB, wherever operator is based**
 - Prior to this only GB-based operators paid
- **Operators pay 10% of gross profit on British horseracing**
 - Level fixed till 2023 (in theory!), previously an annual negotiation
- **First £500,000 of gross profit exempt from Levy**
 - Significantly reduced number of firms liable
 - Approx 55 firms actually pay
 - Fixed fee for on-course bookmakers removed

Levy Income 2008/09 – 2018/19



Levy Distribution

2020 Original
Budget

Prize Money
£60.1m

Raceday Services
£18.7m

Fixture Incentives
£2.3m

Industry Training
£3.1m

Veterinary Science
£2.1m

Point to Point – £0.3m

Breed Societies £0.1m

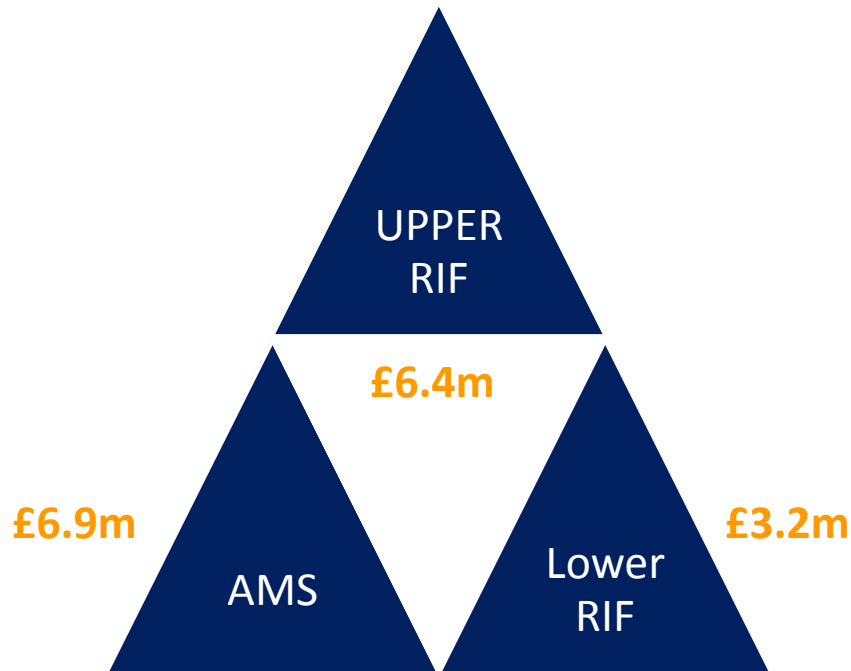
Non-Fixture £6.9m

HBLB £1.8m

Levy Distribution

Prize Money (Normal)

Race Funding Pyramid



Divided Race Fund **£0.6m** / Breeders Prizes **£3.5m**

General Prize Fund

£37.2m allocated by formula for each racecourse based on:

40% on its betting turnover

60% on Executive Contribution

Fixture Funding

Floodlight Fund - £1.7m

Lead Fixture Fund - £0.27m

Transitional Fund - £0.5m

Raceday Service Grants - £18.7m

Fixture Incentive Fund - £2.25m

Levy Distribution

COVID

Advancing of Raceday
Services Grants to
Racecourses

£6m

Conversion of
Racecourse Capital
Credits to cash

£6.5m

Working Capital Loans
of up to £200,000 for
each racecourse

£7.5m

PPE & Racecourse
Configuration

£2m

Prize Money through
Ratecard + AMS

£49m, June to Dec '20

£24.4m Jan-April '21

EC Advance

£2.6m

2021 - Considerations

Ongoing
uncertainty in
wider economic
environment

Support next stage
of Covid recovery

Levy Board PM
funding c+50% -
what next?

Non-Fix 2021
budget

Return of Crowds

Longer term
strategy: size of
fixture list,
promotion of
racing, welfare

Betting

- **Income from Levy, Media Rights and Sponsorship critical to funding across the sport – One income or multiple?**
- **Mutual collaboration by sharing data through the Betting Liaison Group to develop an Industry Betting Strategy to grow this income**
- **How is society changing its view on bookmakers/betting? How does Racing react?**
- **How does Racing maintain good relations with bookmakers?**
- **Betting a key driver in attracting new audiences - Can we deliver a product which meets the demands of the modern bettor?**

Betting

Meeting the demands of the modern bettor

- **Making racing available when and how consumers want it – bitesize?**
 - **Online streaming, earlier, later, in-between other sports?**
- **Strong Product**
 - **Competition, field sizes, adaptive race programme, Pattern**
- **Data**
 - **Sectionals, stride data, race efficiency, wind surgery**
- **Innovation – new bet types, growth of “super pools”, in-running betting, Fantasy games, Virtual Reality**

Aren't these just things Racing “fans” want as well???

