Open Letter to Lord Allen, Chairman of the British Horseracing Authority

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Dear Lord Allen,

We are writing to urge the British Horseracing Authority to support the proposals set out in *Securing Racing's Future*, submitted this week to HM Treasury by Plumpton Racecourse.

British racing stands at a critical juncture. The Chancellor has now made clear that gambling taxes will rise, stating that "gambling firms should pay their fair share." The only question is how high those increases will be — and whether racing will receive the carve-out it urgently needs.

The BHA's current position of opposing harmonisation between betting and gaming tax rates is right in principle, but we believe that the likelihood of Government harmonising the rates is almost zero.

There are six clear reasons why:

1. **Limited fiscal benefit:** harmonising at 21% would raise under £300 million — a fraction of the other amounts being explored through wider gambling tax reform.

2. **No support for harmonisation:** not even the Betting and Gaming Council has called for it.

3. **Political unpopularity:** the BHA's efforts have ensured strong public and media support for racing, making such a move politically untenable.

4. **Social impact:** as Martin Cruddace, Chief Executive of Arena Racing, has commented, harmonised taxes would push operators further towards promoting high-harm casino products.

5. **Parliamentary understanding:** the Exchequer Secretary to the Treasury, Dan Tomlinson MP, has consistently spoken of fairness and levelling the playing field; harmonisation would achieve the opposite.

6. **Administrative confusion:** even under the proposed harmonisation of Remote Betting and Gaming Duty, dual tax rates would persist — as land-based General Betting Duty would remain unchanged at 15%.

In short, harmonisation will almost certainly not happen.

The problem is that racing has so far failed to define what should happen instead.

The proposals contained in *Securing Racing's Future* are entirely consistent with the BHA's own public statements: that racing must make the case only for its own position and not comment on taxation of other gambling sectors.

Securing Racing's Future does exactly that. It does not argue for higher payments from operators, nor does it address rates for other sectors. Instead, it outlines a fiscally neutral, fair, and practical reallocation of existing taxes and Levy that would double the Levy and restore international competitiveness to British Racing.

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It calls for the reallocation of the current 15% tax to HMRC and 10% to Levy, to 5% tax to HMRC and 20% to Levy. This recommendation has been made by an influential think tank and endorsed by 101 sitting MPs, as well as former Prime Minister Gordon Brown. This strong impetus is currently notable more for its lack of comment from the BHA than its support from others. This must change if this once in a lifetime opportunity is not to be missed.

Even with the £130 million increase that this redistribution of tax and Levy would bring about, Britain would still lag international counterparts in prize money. The effective levy rate on racing in Australia is 18.5%; in Britain, just 8.5% (due to the Levy-free allowance for operators). Irish racing receives more than twice the level of government support per race than in Britain. Doubling the Levy would still leave Britain sixth among the seven major racing jurisdictions in prize money per race — but it would at least arrest the decline of British racing.

It has now been over three years since the much-vaunted *Industry Strategy Summit* of 2022, and yet there has been no meaningful financial progress within the sport. Premier Racing has been reduced from 170 fixtures to just 52. Project Beacon offers useful insight, but it will take years to translate into impact. The foal crop is forecast to fall by 25% next year compared to just four years ago. This is not a slow decline — it is an accelerating one.

The truth is simple: if the Government completes its review without a clear and united proposal from racing to support the redistribution of the tax and Levy on British horseracing, the opportunity will be gone. The Treasury will likely not revisit this issue for years and it will be left to Racing and the bookmakers to restart their interminable Levy negotiations which would make only the slightest difference, if any at all.

By contrast, if racing presents a coherent, evidence-based, and apolitical support of these independent proposals — ones that safeguard 85,000 jobs, Britain's rural economy and cultural heritage, £4 billion in economic value, and £300 million in annual taxes — they stand a real chance of success.

We are unlikely to ever again receive this amount of political support, with 101 MPs having signed an open letter to the Chancellor supporting this tax and Levy redistribution, as well as a former prime minister, Gordon Brown, endorsing more than £100m being returned to racing.

We believe *Securing Racing's Future* offers the most credible and politically realistic path forward. We respectfully urge you, and the BHA Board, to give it your public support and help ensure that racing speaks with one voice at this most crucial moment.

Yours sincerely,

Tom Savill
Director, Plumpton Racecourse

Peter Savill
Chairman, Plumpton Racecourse