



# **REVIEW OF CENTRAL FUNDING FOR WELFARE AND EDUCATION**

**August 2010**

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### **EXECUTIVE SUMMARY**

1. The British Horseracing Authority Executive, in discussion with a number of parties in the sport, had started to consider a review of the various funding streams which operate under the Rules of Racing to fund various central welfare and training purposes and organisations. The recent collapse in Levy income and in particular the Levy Board's forecast yield and proposed budget for 2011 and the decisions arising out of this have created a real urgency for this work.
2. This paper therefore sets out to assess the current mechanisms for funding various projects and organisations. The point of the exercise is to ensure that the current funding routes reflect the sport's priorities now, and that they are operating in an efficient manner. It also assesses the option of responding to cuts in direct Levy grant to such initiatives and organisations, by means of creating different funding through prize money deductions and surcharges.
3. Current funding streams, through direct Levy grant and a deduction and surcharge system, are complicated and affected through a variety of different rules and funding mechanisms. As such it is not simple to determine each year if the current funding arrangements are appropriate and align with Racing's overall objectives at the time. Whilst initiatives and organisations, and their funding, can remain unchanged, they also operate against constantly changing wider economic factors. It is also the fact that what was once considered a priority for funding, may not always continue to be a priority when weighed against other calls for funding.
4. Many initiatives are aimed at ensuring proper provision for jockeys and (to a lesser extent) stable staff, and therefore have to be seen in the context of issues relating to their remuneration. These relate to direct benefits, as well as provision of training and education and post-Racing welfare. We do not, however, in this paper, address issues relating to remuneration either through individual contracts or generally through the Rules
5. This review looks to highlight areas to consider and possible approaches going forward. No definitive solution has yet been determined.
6. To start the debate, this paper is intended to highlight issues that it is proposed will be considered as part of the review. At this stage, respondents will be invited to comment on the matters that should be included in the review, the proposed solution and alternatives that they would wish the Authority to consider. This paper proceeds on the basis that prize money deductions to trainers and jockeys continue, as opposed to being wrapped up in separate arrangements with owners.

7. Some specific questions to be asked are -
- i. Would you be supportive of a review of the current system of deductions and surcharges on the basis suggested above? This review would include the mechanism of making payments, the level of payments made and the process of ongoing review.
  - ii. Do you have a view regarding whether deductions from prize money is the most appropriate mechanism for delivering this funding?
  - iii. Should this review focus just on the highlighted deductions or include the payments to participants as well?
  - iv. Would you support an annual review process to ensure funding continued to be allocated in a way that best supported the sport's overall objectives, if not please detail a more appropriate method of review?
  - v. Who do you think should direct the various funding streams and perform regular reviews? Is the Authority's Welfare and Training Group the most appropriate body? Or should this review be the catalyst to setting up some form of new, overarching charitable foundation?
  - vi. How should these issues relate to jockeys' remuneration? Do jockeys wish to fund PRIS from their riding fees or would they prefer to receive this as additional revenue with PRIS payments taken from prize money instead?
  - vii. The move to prize money deductions moves the payment from all participants to winning participants. Is this fair and equitable? Should this be decided upon by the Chairman's Committee, the Horsemen's Group only, or another group?
8. All responses to this initial document should be provided by Friday 17 September 2010. A further report will then be prepared based upon the findings of the first round of consultation, to be issued during October 2010. It may be desirable at this stage to have a round table discussion with all relevant parties to further develop a solution. A final proposed solution and implementation timetable will then be agreed by 31 December 2010.

### **Contact Details**

Please send your comments, by Friday 17 September 2010, to Paul Foster, BHA Financial Controller, British Horseracing Authority, 75 High Holborn, London, WC1V 6LS or by email on [pfoster@britishhorseracing.com](mailto:pfoster@britishhorseracing.com). If you require any further information please call Paul on 020 7152 0088.