

First Minister goes to the races...

First Minister Alex Salmond has accused the Westminster Government of 'failing to get out of the starting gates' in securing the future of horseracing.

In a letter to Jeremy Hunt, Secretary of State for Culture, Olympics, Media and Sport, the First Minister called for 'swift action' on ownership of the Tote, as well as on reformation of the Horse Racing Levy Board, before Scottish horseracing is 'gravely affected'.

The First Minister, who will be at Ayr racecourse today to present the Ayr Gold Cup, said:- "The announcement from Westminster this week that an open market process will be launched in late autumn inviting proposals for the business is welcome but racing needs action now.

"Two years ago, the previous Government announced the Tote would be sold on the open market but this plan fell at the first fence. Uncertainty has hung around the future of this great institution ever since and now the new Government needs to make headway in resolving the issue. Income from the Tote must be available to benefit racing.

"There have been no steps to address the reformation of the Horse Racing Levy Board which has seen income slip from £115 million three years ago to a projected £76.5 million this year. Horseracing in Scotland is worth £213 million to the economy and generates in excess of £60 million for tourism – but if the levy income continues to slip at this rate, we could be looking at serious job losses across Scottish racing.

"The Westminster Government has to act now to protect the second biggest sport in the country and protect 18,600 full time equivalent jobs within its core industry."

The Horse Race Betting Levy Board collects a statutory levy from off-course betting, the Tote and on-course bookmakers. The Levy is collected as a percentage of gross profits derived from British horse race betting and the money is used to finance a range of activities, but over half goes on prize money.

However, UK betting taxes are currently diminishing as several major sporting betting operations have relocated their telephone and internet operations offshore to avoid the 15 per cent tax on gross win and 10 per cent levy paid to the HRLB.

At present, only British-registered betting companies – both on and off-course, and including the Tote – have to pay the 10 per cent tax which is distributed by the HBLB with aim of improving the sport in Britain. Last year, the Levy made a £4.5 million loss as British bookmakers William Hill and Ladbrokes both moved their online operations offshore.

The First Minister added:-“The marked fall from the record £115 million levy in 2007-2008 to £93 million – which included a voluntary contribution of £1.6 million from offshore operators – in 2008-09 is a major concern for Scottish, and indeed, British horse racing. Like many sports, racing is having to ride the storm of economic turbulence and it is essential that the Westminster Government act now.”