

HORSE RACE BETTING LEVY BOARD

Three-Year Business Plan (2022-25) Progress Update: February 2024



FOREWORD



Alan Delmonte
Chief Executive

We published our first three-year Business Plan in January 2023 (covering 2022-2025). This set out HBLB’s structure, governance and strategy and committed to providing an external update on progress.

This document provides that update, midway through the three-year period, and includes information on our Racing Outcomes (externally focused), our Key Performance Indicators (internally focused), the 26 Key Projects identified for the three years and our financial overview. Racing Outcomes are the Board’s ambitions for achievement by Racing and guide HBLB’s decisions on funding. They are grouped into the four areas of HBLB goals:

- Generate Interest in Racing
- Sustain Valued Employment in Racing
- Drive High Quality Care and Support for the Horse in Racing
- Continually Enhance the Reputation of Racing

February 2024

HBLB’S STATUTORY OBJECTIVES, PURPOSE & VISION

Statutory Objectives	Purpose	Vision
<ul style="list-style-type: none">• The improvement of breeds of horses• The advancement or encouragement of veterinary science or veterinary education• The improvement of horseracing	<p>To collect and allocate Levy effectively and transparently to sustain and improve British horseracing, breeding and veterinary science or education for the benefit of the sport.</p>	<p>Trusted as a key contributor to British horseracing being the best in the world, driving:</p> <ul style="list-style-type: none">• Evidence-based decisions• Efficient delivery• Forward-thinking outcomes
<p>Additionally, in the plan I set out my priorities for the period as: HBLB’s financial sustainability; Reviewing prize money to ensure best use; and rigour in our operations (grant assessment and Levy collection).</p>		

OVERALL ASSESSMENT

Overall, the plan is on track. We have made good progress in designing a suite of externally and internally focused measures. The financial position remains satisfactory. Assumed Levy income this year is similar to the 2022/23 year. This has allowed us to fund new initiatives such as enhanced prize money for Premier fixtures whilst returning to an operating surplus.

We have continued to improve systems and processes, most notably around the grants application and assessment processes and online application portal. We managed our costs effectively, being able to fill vacancies and a small number of new roles whilst reducing overall administration costs on the previous year in part through saving around £100,000 per annum by completing our move to a smaller office.

The Executive and the Board continue to focus on and manage our three Strategic Risks (covered under the three broad headings of Income, Organisation, and Stakeholders). Two of these have now been mitigated down to tolerance level with the third achieving that goal in 2024. With regard to our internally focused Key Performance Indicators, during 2023 we launched the first Trust Survey with almost 100 stakeholders participating.

Trust in this context included reference to their understanding of HBLB activity. The results showed that trust in HBLB stood at 86% which was pleasing. Areas for attention included ensuring greater publicity for HBLB expenditure on veterinary science and veterinary education and the initiatives benefitting the British breeding industry.

We continued with our anonymised employee surveys which showed engagement (a broad indicator measuring employee satisfaction) stood at 84%, a figure that benchmarks very well against external comparators. HBLB also monitors its media profile through an external service which has provided positive results.

On our non-fixture related grants we have agreed a set of deliverable outcomes with each recipient to enable us to assess the impact of these grants using public money. This provides 95 items that we track on a quarterly basis. Whilst this process is new and will embed further, it indicates where there may be issues that require attention during the funding cycle rather than at the end. These cover almost £5m of grants.

The Racing Outcomes, our 13 aspirational aims for the sport, agreed by the Board to help it guide decision-making on grant applications, provide a series of data over a number of years. These present a mixed picture with several challenges including in trends for betting turnover and raceday attendances.

HBLB now measures its Carbon Footprint (not a legal requirement as a small organisation). This stood at 7.9 tonnes in 2022, a reduction of 16% year on year (driven by the new and smaller office footprint). HBLB now makes a carbon offsetting payment for this.

RACING OUTCOMES (EXTERNALLY FOCUSED)

Racing Outcomes are a set of 13 key outcomes for the sport that cover a multi-year period. They are grouped into the four areas on the subsequent pages.

They are data-driven and are compiled in collaboration with Racing. They are not target driven - and are for Racing to deliver - but when considered together provide a reference point to guide the Board in making funding decisions.

Four of the 13 Racing Outcomes are assessed by HBLB as having a Green status. Two are at Green/Amber, three are at Amber, two are at Amber/Red and one is at Red (awaiting Racing's People Strategy, due in mid-2024).

Performance Key



Green Status
On Track



Amber Status
Minor Issues







Red Status
Significant Issues







RACING OUTCOMES (EXTERNALLY FOCUSED)

Generate Interest in Racing

Racing Outcome / Comment	Status	Key Data
Horserace betting turnover from UK regulated bookmakers Sourced from HBLB systems. There is a consistent and clear downward trend for betting turnover, down by £1bn (-8.7%) between 2017/18 and 2022/23. Average turnover per race has dropped below £1m. Gross win is performing strongly and currently compensating for turnover reductions. This may not be sustainable.	 Amber	£10.15 Billion 12 months to March 2023 (Bets placed in GB on GB races).
Crowd numbers at racecourses & TV viewing numbers Sourced from racecourses for attendances and from ITV for viewing numbers. Attendances are down by 20% between 2017 and 2022. ITV viewing numbers were on a consistent rising trend 2017 through to 2021 but dipped in 2022, to near the 2017 level.	 Amber/ Red	4.8m attendances in 2022 (2023 numbers recently published by RCA confirmed this held steady at 4.8m). 43.0m total viewers in calendar year 2022.
Number of owners Sourced from Weatherbys and BHA and corroborated with the ROA. The overall number of owners is relatively stable having seen a 4% reduction between 2017 and 2022. Sole ownership has reduced by 15% but has been partly mitigated by an increase in shared ownership. The ROA with BHA is leading a significant data assurance project in this area.	 Amber	9,657 in all categories in calendar year 2022.
Number of horses in training Sourced from the BHA Racing Statistics booklets. The HIT population was relatively flat overall during the 2017 - 2022 period, increasing by c.300. However, there was a reduction of c.400 in Flat horses and an increase of c.800 in Jump horses - whilst the number of races per code has remained static. Average field sizes have declined in both codes and the age of horses is increasing with quality possibly affected.	 Green/ Amber	22,967 in all categories in calendar year 2022.



RACING OUTCOMES (EXTERNALLY FOCUSED)

Sustain Valued Employment in Racing

Racing Outcome / Comment	Status	Key Data
Number of British-bred foals Sourced from data agreed with TBA and Weatherbys. Overall numbers are stable. The number of Flat-bred foals has been in decline but saw a rise in 2022. The number of Jump-bred foals has risen by 25% since 2017. The number of GB bred horses exported is falling overall with 600 fewer horses exported than at peak in 2019. However, reductions are skewed to the lower end and as such may not improve overall quality.	 Green	4,601 at December 2022.
Number of vacancies filled in Racing's key roles Awaiting agreement of Racing's People Strategy.	 Red	N/A
Racing's diversity and inclusion Sourced from the BHA Head of Diversity & Inclusion. The ratio of male/female (Professional & Amateur) licensed jockeys is 71:29, but only 4% of rides in Listed races have female jockeys. Boards in Racing have a male / female ratio of 72:28 but have only 3% ethnically diverse members. Racing Graduates from the two Racing Schools are 30:70 male/female but have only 5% ethnically diverse graduates. The data set for this assessment is limited and in its early stages. It will be developed and broadened over time.	 Amber/ Red	Gender M to F: Jockeys 71/29 Rides 96/4 Graduates 30/70 Boards 72/28 at December 2023.
People wellbeing Based on the Racing Welfare 2021 survey. Further surveys may be carried out once the People strategy has been agreed. Scores benchmark well against comparable sectors. Scores for physical and mental health score lower in the survey compared to other scores.	 Green	78% Motivation 79% Commitment at June 2021.

RACING OUTCOMES (EXTERNALLY FOCUSED)




Drive High Quality Care and Support for the Horse in Racing

Racing Outcome / Comment	Status	Key Data
Horse welfare perception rating Based on the GBR survey 2023. More people are put off than not, but this is the smallest gap for some time. Trust in people who look after horses and trust in people who organise events is at high levels (51% and 48% respectively). The top three concerns are: better care post-retirement, more limited use of the whip, and stronger penalties for infractions/improve safety of racecourses.	 Green/ Amber	33% agree concerns put them off, 27% disagree as at February 2023. The 6% gap is the lowest since 2018.
Impact of investment in research Sourced from HBLB data. HBLB has funded 57 completed scholarships (clinical or research) since 2003 with 47 of those individuals still working in equine in 2023 (82%). Two post-doctorate fellowships have also been funded with both being retained in equine in 2023.	 Green	57 scholarships 82% still in equine 2 Post-Doctorates 100% retained at December 2022.



RACING OUTCOMES (EXTERNALLY FOCUSED)

Continually Enhance the Reputation of Racing

Racing Outcome / Comment	Status	Key Data
Racing's integrity perception rating Based on the BHA survey 2022. Confidence that Racing is run with integrity is high. Confidence increased compared to the previous survey for Punters and Media with reductions for Jockeys and Racing Staff groups. 15% felt that integrity overall had improved.	 Green	82% Very confident or confident (BHA familiar) and 81% (non-BHA familiar) at December 2022.
Racing's contribution to reduced negative environmental impacts Based on BHA data. Miles travelled, by horses who run, to fixtures and back is consistently at around 10 million. In 2022 this reduced by 700,000 compared to 2021 and, excepting 2020 as the Covid year, was the lowest since 2017 (intended runners lower at 85,100). This produced the lowest carbon footprint.	 Green	3,710 CO ₂ tonnes at December 2022.
Racing's favourability perception rating Based on the GBR 2023 survey. Respondents answer whether their view of horseracing is favourable, unfavourable, or indifferent. Since 2020 favourables have always been slightly higher than unfavourables but reversed in 2023 with Indifferents stable at 43%. Attendances (4.8m) in 2022 were -20% versus 2017.	 Amber	28% have a favourable view and 29% unfavourable at June 2023.



HBLB KEY PERFORMANCE INDICATORS (INTERNALLY FOCUSED)

HBLB KPIs are a set of 7 internal measures which are monitored and managed to ensure effective and efficient management of the organisation. They form the KPI Dashboard.

The KPI Dashboard was developed to provide the organisation with data across a range of indicators. These are updated on a regular basis. The latest updates shared with the Board and DCMS, set out in the subsequent pages, show an overall good performance with 5 of the KPIs being Green and 2 being Green / Amber.

Performance Key



Green Status

On Track



Amber Status



Minor Issues



Red Status






Significant Issues

KPI Dashboard

KPI	Status	Key Data	Comment
Trusted by stakeholders HBLB will regularly run an external survey through a third party to ascertain levels of trust and other performance indicators.	 Green/ Amber	Trust in HBLB at 86%. Average of 78% on Vision and 75% on Purpose.	The first ever HBLB Trusted Survey was conducted across Racing and Betting in 2023. Work is underway on the insights provided with steps in train to increase awareness and understanding of HBLB's role.
Employee engagement Employees take part in an anonymised survey scoring against a consistent set of questions upon which action can be taken.	 Green	Engagement is at 84%. Increased from 80% in previous survey.	The fourth survey of employees was conducted in May 2023 and has become an annual survey. The survey is anonymous, asks consistent questions over time and has 100% completion rates. Scores benchmark very well.

HBLB KEY PERFORMANCE INDICATORS (INTERNALLY FOCUSED)

KPI Dashboard Continued

KPI	Status	Key Data	Comment
Nature of media coverage Data monitors HBLB's media profile and the nature of coverage.	 Green	313 press / online mentions over 18 months. Only 1% were negative.	Coverage is overwhelmingly positive. More consideration will be given as to whether more frequent items re Veterinary Science & Education and funding for Breeding should be publicised.
Carbon footprint Measures will be developed with regard to HBLB's own impact on the environment.	 Green	7.9 CO ₂ tonnes in 22/23. Reduced by 16% v 21/22.	Reduction achieved through an office relocation and smaller footprint. HBLB has now started making an annual carbon offsetting payment.
Financial stewardship Measures performance against the reserves policy and the accuracy of our forecasting and the collection of Levy.	 Green	Forecasting accuracy: Reserves - High Cash - Medium Levy - High	Forecasting of income and consequential projections of reserves and cash have been within acceptable ranges of accuracy.
Grant performance Collects performance data against KPIs agreed as part of approved grants and monitors grant recipients against their delivery.	 Green/ Amber	£4.8m of grants covered with 95 deliverables: 8 are complete 51 are on track 36 have in-year issues.	This is a new way of working where deliverables are agreed with each grant recipient at the time of a grant being approved. Delivery against these is monitored quarterly. The status of deliverables should improve as the process matures.
Business plan implementation Will measure delivery against the commitments made in the Business Plan.	 Green	Of the 26 Key Projects, 21 are due in the first two years (ending 31/03/24): 9 are complete and 12 are work in progress.	External updates on the progress of the Business Plan were committed to in the Business Plan itself and this document is the first external update of its kind. See page below for a more detailed update.

KEY PROJECTS

The Business Plan set out 26 Key Projects which directly support delivery against HBLB's four goals of:

- **Generate Interest in Racing**
- **Sustain valued employment in Racing**
- **Drive high quality care and support for the horse in racing**
- **Continually enhance the reputation of Racing.**

Of the 21 Key Projects planned for the first two years, nine are complete and 12 are Work-In-Progress - still being delivered but either later than originally planned or on track and not yet due.

Performance Key



Completed








Work in Progress






21 of the Key Projects Planned for the First Two Years

Key Project	Status	Description
01 Veterinary advisory committee Membership refreshed and expanded to include additional subject matter expertise.		Work in Progress A new Chair has been appointed and new expert Members recruited. One vacancy remains to be recruited to.
02 Conclusion of industry recruitment, training & retention review HBLB/Racing Foundation review in conjunction with the BHA recommended the development of a detailed people strategy covering skills, welfare, and workforce issues and an Independent Board & Chair to implement it.		Work in Progress A new Chair has been appointed and the Board recruited to. A draft People strategy is being consulted on and is due in mid-2024.







21 of the Key Projects Planned for the First Two Years

Key Project	Status	Description
03 Transparency of regulatory & integrity funding HBLB makes grants of around £19m a year, second only to prize money as the largest line of expenditure. Work is underway to ensure greater transparency of the costs, with the active collaboration of the BHA. In future, these costs will be the subject of their own grant application. The work continues the next phase in Key Project 13.		Completed
04 New three-year finance model implemented HBLB will seek, where possible, to make in principle funding decisions over a period of more than one year and has introduced a three-year financial model. The variable nature of HBLB's income involves assumptions being made about income.		Completed
05 Targeted prize money HBLB works with the BHA Fixtures & Funding Group to agree optimum use of Levy funds including on Saturdays and Bank Holidays.		Completed
06 Revised fixture incentive fund Streamline the FIF and improve the targeting of funds.		Completed
07 Office move to save cost and further embed flexible working In response to learning during COVID and taking advantage of a lease break clause, HBLB relocation to new (outside London TFL Zone 1) office space and equip all staff for fully flexible working with an expected annual saving of £100,000.		Completed




21 of the Key Projects Planned for the First Two Years

Key Project	Status	Description
08 Organisational Design (OD) review completed Following the Government's decision in 2019 not to abolish HBLB, an OD review was undertaken to ensure HBLB had the resources needed for the future. COVID delayed the conclusion of the work. A limited number of new skills and roles were identified as being required in recognition of the increasing scale of HBLB's operation.		Completed
09 Implement Government Functional Standards (GFS) review Across government a new set of standards is being applied covering a range of business areas. HBLB will apply these standards as appropriate to keep pace with good governance and controls. (To complete in 2023/24). The GFS on Grants being the first one to be addressed.		Work in Progress Seven GFS were prioritised for this year of which five have been implemented. The remaining two are work in progress due to medium/long-term maternity and paternity absences.
10 HBLB contribution to Racing's strategic review HBLB will engage with and contribute to Racing's overarching strategic review.		Work in Progress HBLB continues to engage, as seen through the funding of Premierisation, and awaits the full and agreed Racing Strategy.
11 Relocate and update core digital infrastructure Further improve security and, to enable the transition to a new office, HBLB relocation of its core infrastructure into a third-party robust and resilient datacentre environment.		Completed
12 Review of prize money funding model and optimum fixture funding In partnership with Racing, review the Prize Money distribution funding model and the associated fixture and race slots.		Completed

21 of the Key Projects Planned for the First Two Years

Key Project	Status	Description
13 Review of regulatory & integrity funding model In consultation with the BHA a review will be carried out on whether the current funding model remains the best arrangement.		Work in Progress External reviews being commissioned. Due by June 2024. Agreement for multi-year application in principle reached.
14 Address gambling legislation review outcome HBLB will respond as appropriate once published.		Work in Progress Due 2024 and dependent on Gambling Commission implementation schedule.
15 Completion of loans to weighing room modernisation project Original estimate was for HBLB to lend £12.5m alongside £7.5m contributions from Racing Foundation. Annual interest will be charged at the prevailing Bank of England base rate as it stands at the time of the granting of a loan application with applicants choosing their repayment period of between 4 and 10 years.		Work in Progress HBLB process designed and tested. Racing requested a longer period for the project which the Board granted with applications now upto March 2026
16 Stakeholder management review for each of betting and racing A review of the relationships with Betting and Racing will be undertaken to learn key strengths and areas for improvement.		Work in Progress 25% complete. Due by June 2024.
17 Expand and modernise web services Increase the range of funding services that can be web accessed whilst also modernising services.		Work in Progress 40% complete. Due by March 2024.
18 Prepare for and address the impacts of 2024 Levy Review HBLB will prepare relevant and timely data, analysis and submissions to input to the review and then will respond as appropriate once published.		Work in Progress Due 2024 and dependent on Government's consideration.

21 of the Key Projects Planned for the First Two Years

Key Project	Status	Description
19 Equine disease protection strategy agreed Working with Racing and the HBLB Equine Infectious Disease Committee, a long-term strategy will be developed and agreed.		Work in Progress 30% complete. Due by September 2024.
20 Triennial external board effectiveness review It is best practice and a policy of Government that public bodies should undergo an external review every three years and the Board's took place in 2023.		Completed
21 Majority of external processes paperless Review external key process areas where the IT team will work to find opportunities to digitise and / or provide services digitally.		Work in Progress 65% complete. Due by March 2024.



UPDATED FINANCIAL OVERVIEW

After two significant years of deficit the annual operating position has returned to a small surplus.

£10m+ of Reserves and Free Cash are earmarked in anticipation of outgoing funding for weighing room loan applications during 2024 and 2025. The full year 2023/24 Forecast was as at end of 2023.

2023/24 is a forecast and is dependent on the actual outturn for the remainder of this financial year.

Budget 2024/25 will be set during Spring 2024

£m	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Forecast
Levy / Other Income	82.0	97.6	101.8	*105.4
Racing Foundation Funds	-	3.0	3.0	-
Total Income	82.0	100.6	104.8	105.4
Prize Money (inc. SSP)	65.6	78.8	70.5	67.5
Regulation & Integrity (inc. SSP)	18.7	23.9	20.8	18.6
Fixture Incentive Fund	1.6	1.8	1.5	1.3
Veterinary Science & Education	1.2	1.7	1.6	2.0
Non-fixture Grants	7.0	5.7	6.1	6.0
Administration + Loan Interest	2.0	2.3	2.7	3.0
Total Expenditure	96.1	114.2	103.2	98.5
Net Operating Position	-14.1	-13.6	1.6	6.9
Free Cash at Year-end	19.4	17.6	18.9	30.7
Reserves at Year-end	43.6	29.9	31.4	38.3

* Levy is assumed at £102.5m with bank interest received also included in total income.