



Parnell House 25 Wilton Road London SW1V 1LW
Telephone: +44 (0)20 7802 3857 Fax: +44 (0)20 7333 0041

Chairman: W Roseff
General Secretary: S D McInroy

Right Honourable Jeremy Hunt MP
Secretary of State for Culture, Olympics, Media and Sport
Department for Culture, Media and Sport
2-4 Cockspur Street
London
SW1Y 5DH

Dear Secretary of State

DETERMINATION OF THE 50TH HORSERACE BETTING LEVY SCHEME

Thank you for your letter dated 1 Dec 10. I am pleased to submit (attached) the Bookmakers' Committee response to the submission of the Government Appointed Members (GAM) of the Levy Board (the Board) in respect of the determination of the 50th Horserace Betting Levy Scheme.

The Bookmakers' Committee urges you during your determination to:

- Consider the initial submission made by the Committee and the arguments submitted therein in respect of TV picture rights, the reducing relevance to bookmakers of British horseracing and the economic downturn.
- Note that neither Racing nor the GAM submission has established a need that is not currently being met.
- Reject the recommendation submitted by the GAM.
- Give appropriate consideration to the Deloitte LLP 'Report for the Government Appointed Members of the Horserace Betting Levy Board'.
- Announce that the Horserace Betting Levy will cease on 31 Mar 14.

In making our submission, we are conscious that the Levy was never intended to be a price for a product and it is difficult to see how it could be. Further, it was certainly never intended to be a one-way street via an upward only rent review. The statute refers to a Levy mechanism and has never envisaged a guaranteed yield and Racing, like bookmakers, cannot be protected from the impact of economic, fiscal and social circumstances and their resultant impact on both Racing's reasonable needs and the bookmakers' capacity to pay.

The GAM submission recommends a radical change to the Levy mechanism which reflects a lack of knowledge of the bookmaking industry and disregards the advice given to them by bookmakers' representatives, industry subject matter experts and professional advisors. It is not the role of the GAM (or the Board) to fix the amount of levy paid each year by bookmakers; by definition, the Levy does not and cannot support an argument to establish a 'target yield'.

Finally, may I draw your attention to the fact that between the 49th Levy Scheme (freely agreed by the Board, the Committee and Racing) and the 50th Levy Scheme, Racing's 'need' has not changed, but the bookmakers' capacity to pay has substantially reduced.

My Committee and I look forward to your response to our submission and subsequent determination.

Yours faithfully,

A handwritten signature in black ink that reads "Will Roseff". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Will Roseff
Chairman
For and on behalf of
The Bookmakers' Committee

5 Jan 11