

Lord Hesketh, 27 October 2009
at the announcement of the agreement between Towcester racecourse and its bookmakers

Minister, bookmakers, honourable members of Parliament, members of fourth estate, distinguished guests.

The Minister desired, and the Government desired, and I still believe desire to this day, that racing resolves a number of actually fairly simple issues.

Towcester it has to be said, and I think the Minister will probably approve of Towcester, is highly radical in the way that it operates; it is not a member of the RCA, and it believes at the end of the day its financial future depends on having a customer base who spend considerable sums of money.

We only have two live shows available on the track; one of them are the horses which are racing, and the second are our pitch bookmakers. They are a hugely important asset and if you think of the fact that Towcester which is considered by some a small course, but I am not told by the Brigadier from the Levy Board that after spending £11 million on it, it is now a medium size course, that we would not have a business and nor would they have a business. Therefore our relationship that we have with the bookmakers is crucial and the relationship which racing has is crucial.

We have already received criticism for the fact that we have done a deal in perpetuity; actually it's perfectly sensible deal to do a deal in perpetuity. Because what it means that if we can't make racing pay and have to shut down, then we go to our bookmakers and say "well sorry guys it's all over". If, because this country does still believe in property rights, you have a 25 year lease, or a 50 year lease, or a 99 year lease, there would be huge sums of compensation to be payable. So I think that we've done the right thing.

And I think that I would just add this. That in the current proposal from the Horsemen's Group, which Towcester I think would find itself a victim, they have completely refused to recognise what would have happened if the bookmakers had been told to get stuffed. The bookmakers would have gone and seen m'learned friend, would have advised them that their property rights had been taken from them and would they would have then sued the racecourses.

Now Towcester Racecourse, because again of our rather radical approach, some five years ago introduced the principle of putting all of our fixture lists onto balance sheet, which had the effect of increasing it by £5 million. I wonder whether the Horsemen's Group have thought about what the compensation levels we will be looking for and every other course that is declared a Class Three dump as I think they're going to be.

Now the other thing they haven't really thought about, which is very important – now I brought them along but I'm not going to bore the Minister because he'd go mad if he saw them all – but these are three of the four statutes that are involved. What I can assure you is, our learned friends have looked at them; I very much doubt if anyone at Newmarket has paid much attention to them. And they are complex to say the very least. They go back to 1961 when hardly any of us were born apart from myself, who was even then proprietor of the racecourse.

For us this deal is hugely important. It makes us a more viable business; it puts £15,000 a year straight on the bottom line. It improves our relationship with our most important business partner, which is the bookmakers. And that also applies for the relationship we have with SIS on the satellite TV services.

Unless racing is actually willing to think about the future and understand the key about all of this, which is if you get the business model right, then the racing will work. If you try and make the racing right first, you will have a financial disaster which will be greeted and welcomed by the administrator who will then take ten percent of all the gross proceeds.

Thank you very much indeed.