

The effect of Covid-19 on the economic impact of Yorkshire's racecourses

Introduction

This note considers the effect of Covid-19 on the economic impact of Yorkshire's nine racecourses. It provides an addendum to the main study which assessed the economic and social impact of racing in Yorkshire based on 2019 data, the latest full year that data was available.

The Covid-19 pandemic has drastically changed the outlook for the horseracing industry, as indeed it has across society. The restrictions implemented by the Government, to limit the spread of the virus and protect the NHS, have had the following effects on industry:

- Reducing the number of fixtures taking place.
- Preventing racegoers from attending fixtures.
- Requiring racecourses to create 'Covid secure environments,' increasing costs to ensure social distancing and sanitation requirements.
- Limiting the number, nature and scale of non-racing activity.
- Limiting non-race day attendees.

The study team conducted further work with Yorkshire's nine racecourses to assess the impact of Covid-19 on the horseracing industry. Replicating the main study, the focus is on the value created in terms of income revenues and the employment at the racecourses, including racing and non-racing activity at the courses.

Because of the timing of the study, verified financial data has not been available. A survey was therefore sent to the financial managers at the nine racecourses. This asked the respondents to approximate the impact of Covid-19 on their income and expenditure in the current financial year, compared to their previous year. The racecourses were also asked the same staffing questions to establish the level of Full Time Equivalent employment.

Seven of the nine racecourses were able to respond to the survey. However, the analysis provided in this note has used the seven responses to provide an estimate for all nine racecourses in Yorkshire.

Impact on the value of Yorkshires nine racecourses

Table 1 summarises the impact of Covid-19 on the value created by the nine racecourses, as assessed by their income. It reveals

The value of the racecourses has reduced by 72 per cent from £90.8 million to £25.4 million.

This is a significant **reduction of £65.4 million**. Unsurprisingly the restrictions on attending fixtures and events means this reduction has resulted from significant declines in income from: admissions, on course betting, catering and non-racing activity.

In addition if it is assumed that there were no attendees at racing and non-racing activity at Yorkshire's racecourses then **off-course expenditure by attendees would have reduced by a further £49.4 million**.

This means:

The economic impact of Yorkshire's racecourses (including non-racing activity and off course expenditure) has reduced by £114.8 million due to the impact of Covid-19 restrictions.

Table 1: Racecourse revenues; 2019 and 2020 projected

	Yorkshire (£m)		
	2019 (actual)	2020 Covid19 (projected)	Percentage change (reduction)
Admissions and catering	43.0	0.8	(98)
On course betting	8.1	0.0	(100)
Other raceday	28.4	17.3	(39)
Other non raceday	5.3	1.3	(75)
Total controllable	84.9	19.4	(77)
Levy distributions	6.0	6.0	0
Total revenue	90.8	25.4	(72)

Impact on the employment at Yorkshires nine racecourses

In addition Covid-19 has had a significant effect on the employment sustained at Yorkshire's nine racecourses. Analysis of survey responses reveals:

Employment at Yorkshire's nine racecourses has reduced by 38 per cent from 221 to 136 FTE employees.

This reduction has predominantly resulted from reductions in the employment of casuals to support raceday activity and non-racing events: a 90 per cent reduction in casual FTE employment jobs. However there has also been an 11 per cent reduction in core staffing numbers.