

**MINUTES OF THE FIRST MEETING OF THE CROSS PARTY GROUP ON  
SCOTTISH HORSERACING AND BLOODSTOCK INDUSTRIES  
HELD ON WEDNESDAY 26<sup>TH</sup> OCTOBER 2016 AT 5.30PM  
IN Q1.03, SCOTTISH PARLIAMENT**

**1. PRESENT**

Miles Briggs MSP; Rachael Hamilton MSP; John Scott MSP; Neil Bibby MSP; Bill Farnsworth; Stephen Rafferty.

In attendance:

Delly Innes (minutes)  
Bill Alexander

**2. APOLOGIES**

Apologies for absence were received from John Lamont MSP.

**3. ELECTION OF MSP OFFICE BEARERS**

The following MSPs have shown interest in the Group:

Miles Briggs; Rachael Hamilton; Colin Beattie; Neil Bibby; John Scott; John Lamont and Clare Haughey.

As three parties are represented the Group can be taken forward. Miles Briggs was elected as Chair. Scottish Racing will provide the Secretariat of the group.

**4. UPDATE FROM A SCOTTISH RACING REPRESENTATIVE**

The group heard from Bill Farnsworth, Chief Executive of Musselburgh Racecourse, who gave a brief presentation of the importance of horseracing to Scotland and Great Britain. This will be discussed in greater detail at the next meeting. Please see attached copy of Bill Farnsworth's presentation.

**Levy**

British Racing is currently at a financial crossroads owing to its out-dated funding regime, the Horserace Betting Levy, which has been in place since the 1960s. The levy has gone into serious decline; the levy went from £115m to £59.5m in the space of three years, owing to the migration of bets being placed over-the-counter to bets being placed online. The Government has announced a Levy replacement to apply the levy to where the bet is placed, rather than from where the bet is taken. This satisfies the Government's tests for funding – fair; sustainable, enforceable and legally sound. The new levy is hoped to be introduced in April 2017. This may be subject to a legal challenge in Europe, but the proposed levy should be robust enough to stand up to a legal challenge, particularly as the similar changes to funding of racing in other countries has received European clearance.

Racing with a new funding model would be a sustainable platform for growth. Racecourses and horsemen can enhance their presence within the rural economy across Britain. British Racing's position would remain as the best in the world.

The levy plays a vital role for racing in Scotland, as it courses rely on their share of the levy to provide the majority of the prize money on offer. More prize money attracts more runners, which in turn results in more bets being placed on Scottish tracks. The levy is more critical to Scotland than anywhere else in the UK, and the negative effect of its decline has been felt more deeply north of the border, than in other parts of the country.

The DCMS have indicated that they were minded to introduce a rate of 10% on all bets placed on British Racing under the Levy replacement (the current rate for over the counter bets is 10.75%, which generates around £50m/year). The Government are taking further representations from the Racing and Betting industries with a final decision to be announced in due course.

### **Regulation of the Betting Sector**

The Racing industry supports a thriving, socially responsible retail betting industry in Scotland, with Racing as a core and natural product. Sensible and fair regulation should only be introduced as a result of hard, factual evidence. Gambling is accessible everywhere in today's world, and any legislation on FOBTs should be introduced to help those with a gambling problem, and not affect the large numbers of the population who enjoy responsible gambling.

### **Regulation of Betting Advertising**

The Labour Government de-regulated betting advertising and there has been growth in the number of bookmakers' adverts on television. The Industry welcomes a review of betting advertising. The Industry would like horseracing to be looked at separately from other sports. Horseracing viewers tend to be adults, and does not have a large amount of followers who are children. Horseracing and betting are intrinsically linked; more people bet on the Grand National than the FA cup.

Bill Farnsworth closed his presentation by adding that the formation of this Group is very timely, as there are some very real issues to focus on with the racing, betting and bloodstock industries.

Miles Briggs added that there may be an opportunity to communicate with the Westminster's Scottish MPs.

## **5. DATE AND TIME OF NEXT MEETINGS**

Wednesday 22<sup>nd</sup> February 2017 at 5.30pm

Wednesday 24<sup>th</sup> May 2017 at 5.30pm