

Meeting of the Cross-Party Group on Scottish Horseracing and Bloodstock Industries

Tuesday 17th September 2019 – 5.30pm
Room Q1.04

MINUTES

PRESENT:

Miles Briggs MSP
Richard Lyle MSP
Delly Innes, Scottish Racing
Stacey MacPherson, Scottish Racing
Ross Hamilton, British Horseracing Authority (BHA)
Gary Cornes, William Hill
Mark Morrice, William Hill
Mick Malone, Ladbrokes Coral
Donald Morrison, Association of British Bookmakers

APOLOGIES:

Neil Bibby MSP

1. Update from Ross Hamilton, Head of Public Affairs, British Horseracing Authority

Ross Hamilton explained that horseracing remains the second largest sport in Britain and provides employment for over 20,000 people who are directly employed as result of the British Racing Industry.

Revenues have increased over recent years and the estimate of the economic impact of British racing would be trending towards £4billion per annum.

By attendances, racing is also still the second largest sport in the country with 5.77million attendees at race meetings in 2018. This is down slightly on the previous year, but the trend has been upping again in 2019.

Helped by the levy, prize money has reached a record £166million in 2018, but when that is put into context of a sport that directly employs 20,000 people, that 166million figure doesn't sound as large as it potentially could be. Current challenges which the industry is facing as a result of the recent gambling review and of the impact, could mean a potential fall in prize money.

Online betting activity is now more than 60% of turnover on British Racing according to the Gambling Commission, and betting activity overall across the sport is rising to £14billion annually across the country.

Of the biggest sporting events annually held across the country, 4 of the top 10 sporting events include race meetings for Royal Ascot, Cheltenham Festival, the Epsom Derby and the Grand National.

The Scottish racing industry has also been successful, and it is extremely encouraging to see the progress that has been made north of the border.

The economic impact of Scottish racing is growing, and racing provided £306million to the Scottish economy in 2018. The sport supports 570 jobs directly and indirectly across 5 Scottish racecourses, at training yards and other infrastructure.

Almost 280,000 attendees at 115 fixtures last year, again, second only to football.

Brexit is clearly an issue that opens a number of strong opinions. British Racing has neutral position on Brexit, and in 2016 published guidance for participants of the potential outcomes in the event of Brexit.

The BHA has established a Brexit Steering Group to co-ordinate the industry's response to the challenges that are presented in the immediate term by the UK's withdrawal from the EU. The Group includes membership from the Thoroughbred Breeders Association, given that a number of challenges will fall on the breeding element of the sector.

Over the course of the last three years, the BHA has been working cross party on Government engagement, and across different Government departments. The BHA is also working very closely with international colleagues, around Brexit and other matters involving the UK Parliament and Commission.

There are clear economic and trading implications resulting from Brexit. The fundamental concern for the industry is horse welfare through travel times and ensuring the level of care these horses receive is not compromised in transit is paramount. Maintaining the free movement of thoroughbreds within Europe is also one of the main priorities.

Currently there is an agreement in place between UK, France and Ireland – the Tripartite Agreement – which facilitates almost effortlessly in movement of horses between these three countries. Work is being carried out with France, Ireland and across Europe to propose a new system to take over from the Tripartite Agreement, which will need to be carried out due to a new animal health law passing through the European Parliament. This will come into play in April 2021 and the Tripartite Agreement will need to be reviewed. There will be an implementation period, during which the existing Tripartite Agreement will continue until a new trade arrangement is agreed. If, however, there is a no deal at the end of this process, there will be changes as to how thoroughbreds move out of the UK. Both the UK Government and the Scottish Government endorse the position that there will be no additional checks or requirements for horses moving into the UK, however, horses returning to the EU would have to go through prescribed routes, have blood tests carried out before they travel and be in isolation from other horses for up to 40 days, increasing the cost of travelling significantly. If Britain is not listed as a third country for animal health purposes, then movement of horses into the EU will not be permitted at all, however, that listing was provided prior to April 12th, so there is confidence that the highest classification would be given again, but that does require extra paperwork.

In terms of the people working in the racing industry, there are already challenges in certain areas, such as the workforce crisis, where potentially there are between 500 and 1000 too few staff. At the moment, about 11% of the workforce at stable yards are from European Economic Area Countries, roughly half of that are Irish members of staff, so the common travel area arrangements with freedom of movement and freedom to work between Britain and Ireland will stay in place regardless of the Brexit outcome. The remaining 6% of EEA workers are a matter of concern. Representations have been made to the Immigration Advisory Committee over the skilled nature of work that is required to look after racehorses and the particular attributes that are needed in this very competitive industry. Encouragement is also being given to employees to apply to the EU/UK Settled Status Scheme in order for their rights to continue beyond the end of 2020, regardless of the outcome.

Following on from the UK Government Campaign, the BHA will shortly be launching further detailed industry communication, targeted at participants to ensure they are as prepared as they can be for a no deal Brexit, should that be the outcome.

In terms of isolating the impact on Scottish racing – there is not a hugely isolated impact. There has been a growing number of horses moving to Scotland from Northern Ireland in recent months and the continuation of this is important. The freedom of access to European workers for Scottish employers under future immigration arrangements is a priority. The Steering Group and the BHA are very much working in tandem and are concerned about all the issues that exist.

Going forward into the next stage of negotiations is quite encouraging for horse racing. The next Trade Commissioner, who will negotiate a future trade agreement when the UK withdraws, is Phil Hoggan, former Agriculture Commissioner, who very much understands the racing industry and its requirements, giving horseracing a supportive voice in a very influential position.

British Racing's wider priorities include ensuring suitable funding from betting activity on the sport. The funding from the Levy has improved drastically, but there are still issues with the reliability of the current Levy. Based on gross profits, the Levy in 2017/2018 was £95million. That fell to £78million in 2018/2019, despite overall betting activity levels on horseracing on the increase. In addition, British Racing are looking to recruit a workforce through Careers in Racing, but also aim to retain staff through projects such as increasing mental health and occupational health support. Animal welfare very much receives an increasing political focus, and we now see an Animal Welfare Minister in Westminster. A debate in Westminster Hall last October on Animal Welfare, proves that animal welfare is rising on the political agenda. There is certainly far more to be done on Diversity and Inclusion – there have been breakthroughs this year, Bryony Frost has had some fantastic victories at the Cheltenham festival, Hayley Turner becoming the first female Group 1 winner at Ascot and Khadijah Mellah winning the Magnolia Cup at Goodwood. These are just moments and we all hope to see more women in racing making the headlines, whilst at the same time trying to grow the sport to new audiences and fanbases.

2. Provision of taxi rank facilities at racecourses

Richard Lyle MSP raised the question as to what facilities the racecourses have to allow taxi drivers to rank inside or outside their property and also from a racegoers point of view, ensuring they can get home as and when they want to.

Delly Innes explained that taxi ranking varies at each of the racecourses as the regulations and restrictions are made by the local Councils. Delly would be very happy for Scottish Racing to write to all the local Councils, however it was felt it would be more appropriate if the Cross Party Group could write to all Councils.

Miles Briggs MSP raised the update received from Hamilton Park with regards to the former taxi rank on Bothwell Road being removed by Police Scotland. Richard Lyle commented that he thought this had been a Council decision.

3. Date of Next Meeting

Wednesday 13th November – 5.30pm