

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

Wednesday 18th November 2020 – 5.30pm

MINUTES

PRESENT:

Miles Briggs MSP (MB)
Neil Bibby MSP (NB)
Richard Lyle MSP (RL)
Delly Innes, Scottish Racing (DI)
Ross Hamilton, British Horseracing Authority (RH)
Willie Black, William Hill (WB)
Jonathan Garratt, Kelso Racecourse (JG)
Lucy Miller, Racing Welfare (LM)
Leanne McPake, World Horse Welfare (LMcP)

1. Election of Office Bearers

It was decided that the following will continue as office bearers for 2021.

Convener: Miles Briggs MSP

Dep. Convener: Neil Bibby MSP

Secretariat: Scottish Racing

Members of the Group: Alison Harris MSP; Rachael Hamilton MSP; Mark Griffin MSP; Richard Lyle MSP; John Scott MSP.

2. Covid-19 and the Horseracing Industry

Representatives from the British Horseracing Authority (BHA) and Scottish Racing updated the Group on the impact of Covid-19 on the horseracing industry in both Britain and Scotland.

It has been a very challenging time for both the racing industry and betting industry across Britain in the last few months. The racing industry took the decision to suspend all racing activity on 18th March 2020 as the country was moving into the initial full lockdown, following advice from the BHA's Chief Medical Advisers regarding the pressures that were being applied on the NHS at that time. This was an extremely difficult decision for the industry to take, and it was unknown what length of time this suspension would last. Kelso Racecourse had already been subjected to crowd limits of 500 people imposed by the Scottish Government previous to the decision to suspend.

Horseracing in Scotland resumed behind closed doors on 22nd June and was the first major sport to return. The industry worked closely with both the UK and Scottish Governments to develop detailed protocols and bio-secure measures to allow the sport to return, and reflected the outdoor nature of horseracing and the fact it is a non-contact sport.

Racing behind closed doors has worked well. Whilst there have been challenges faced on a day-to-day basis, Britain has seen over 500 racing fixtures held behind closed doors since the resumption on 1st June at Newcastle Racecourse. Currently, there has been no evidence to suggest there has been any onward transmission of Coronavirus at any of those race meetings and this is testament to the efforts from participants across the sport to follow the guidelines and by the racecourses who incurred significant costs to ensure the racecourses are as Covid-19 secure as possible.

Thanks to the agreed protocols, by following the rules carefully and continuing to stay on top of any outbreaks, racing has been able to continue during the second lockdown, in part, also owing to the categorisation of racing as an elite sport.

The financial position for the industry, however, remains a challenge, with the loss of almost 3 months of racing and some principle meetings, such as the Grand National and the Scottish Grand National (the biggest single race meeting in Scotland), and months of no income from spectators. Two successful pilots have been held in England at Doncaster (2,000 spectators) and Warwick (800 spectators). However, the pilot programme was suspended by the UK Government as virus levels increased. The industry is a member of the Sports Technology Innovation Group on the various ways in which crowds may return, on the conclusion of current restrictions in England, and is working with the Scottish Government as to when it might be safe to welcome crowds back to Scottish tracks.

An industry wide recovery plan has been developed and looks at three main areas which the industry would like to highlight as areas of moving forward.

The first area is immediate financial support for the racing industry. The loss of crowd revenues over nearly a year is estimated to have cost Britain's 59 racecourses a total between £250-£300million. This not only impacts the racecourses, but also feeds through to the wider racing industry and the many thousands of people employed in yards up and down the country, along with ancillary industries. Following suspension of all pilot events, the UK Government will shortly announce financial support packages which will be offered to affected sports. It has been made clear that the Scottish Government understand the financial challenges faced by Scotland's five racecourses due to their loss of revenue and discussions are ongoing with SportScotland as to how support can be provided.

The BHA is hopeful of a progression to move forward with plans for the return of crowd pilots across the country as soon as it is safely possible. With learnings from the two pilots events in England, the work of the Sports Technology Innovation Group and the progress made in relation to mass testing solutions and vaccinations, it is likely that there will be an opportunity to see a return of the pilot programme. The UK Government will make an announcement shortly, with regards to English racecourses and it is hoped that the same progress will be made in Scotland as soon as it is safe to do so.

The third area, as the industry moves forward into recovery, is to ensure the racing industry has a sustainable funding basis going forward, which recognises the mutual relationship with the betting industry. Discussions will take place between racing and colleagues within the betting industry to agree on not only funding, but how the fixture list and racing as a product can do more to help the betting industry grow.

A further challenge to be faced is the forthcoming Brexit deadline, which is a significant logistic challenge for the racing industry. The BHA has working with DEFRA over the last four years on an arrangement to ensure the continued movement of Thoroughbreds and the associated work on the movement of people, beyond the Brexit deadline. It is hoped that a free trade agreement will recognise the high standard of equine health and welfare, and will enable the use of existing systems for thoroughbred movement.

Scottish Racing is in the process of submitting financial data from all the racecourses to the Scottish Government, ahead of an announcement from DCMS on the financial support for business which have been unable to welcome spectators.

All Scottish Racecourses have lost around 40% of their overall income from not having spectators. The Summer tracks in particular have been harder hit with Perth Racecourse, for example, which will

not have seen income from any spectators for almost a year, as the pandemic started at the beginning of their season. The loss of other income streams such as conferences, weddings and other social events have increased the loss of income for many courses to 70%. All racecourses have cut expenditure on overheads and whilst the furlough scheme has been very advantageous, other expenses such as insurance and maintenance costs, must still be met, and therefore, financial assistance from Government is vital to ensure the racecourses can survive.

The return to normal is guided by the wider Coronavirus restrictions, but by being categorised as an elite sport has allowed the sport to carry on in all parts of the country behind closed doors. It is hoped that 2021 will see the return crowds back to the racecourses as soon as possible.

Miles Briggs asked when a crowd pilot may take place in Scotland. DI replied that pilots incur further expense for racecourses to ensure the correct mitigations are put in place. Discussions regarding two pilots at Musselburgh have taken place, but unfortunately approval was not given in time to enable the course to sell tickets with advantageous notice. With several pilots in England being pulled at the last minute, it is unclear on the UK Government's appetite to continue with pilots. With racing's ability to follow rules and awareness around bio-security, there may not be a requirement for a pilot in Scotland and it may be preferable to now continue with option to welcome crowds back when it is safe to do so. Miles is happy to seek clarification on whether racegoers can travel from different levels to attend a race meeting.

RL is keen to help ensure the Scottish racecourses, and bookmakers, are given as much financial support as possible. Miles Briggs added that he is in contact with Fiona Hyslop re- the support which has been given to betting shops in England, has not been replicated in Scotland. He has recently visited Scot Bet which does not have an online offering and has 110-130 members of staff in Scotland. Scot Bet are facing a 40% decline in business to their betting shops. JG added that betting shop revenue is significant to the racing industry via media rights. Digital betting operates at much lower margins than those in betting shops and that when betting shops were closed during lockdown, this had a detrimental financial impact on Kelso Racecourse's revenue, at a time when there was not any income from spectators. Racecourses act as a conduit to many other businesses, via prize money, local employment, catering and equine services suppliers, etc, particularly in rural areas. If those small businesses are lost, the whole industry shrinks, and is no longer able to operate at the successful level that the industry has achieved over a number of years.

WB added that William Hill has seen a significant amount of migration to online during lockdown, however, the organisation has been pleasantly surprised by the number of customers back into high street bookmakers. Some branches are running at losses because of high rental costs in city centres, and the removal of shop furniture has decreased the amount of dwell time of customers in shops by almost 14 minutes per customer.

3. Date of Next Meeting

To be confirmed shortly.