

REPORT TO: Audit and Governance Committee

MEETING DATE: 12 June 2018

BY: Depute Chief Executive (Resources and People Services)

SUBJECT: Musselburgh Racecourse - Update

1 PURPOSE

- 1.1 To provide an update to the Committee on Musselburgh Racecourse.

2 RECOMMENDATIONS

- 2.1 That the Audit and Governance Committee notes the current position and progress following the Independent Governance Review by Pinsent Masons LLP.

3 BACKGROUND

- 3.1 In July 2017 the British Horseracing Association ('BHA') agreed to grant an extension to the racing licence subject to undertaking a governance review.
- 3.2 In October 2017 the Council and Lothians Racing Syndicate Limited ('LRS') jointly appointed Pinsent Masons LLP to undertake a governance review. This review was completed in December 2017. The review raised concerns about the constitution of the Musselburgh Joint Racing Committee ('MJRC') due to the constitution of the Committee not having a two thirds majority in favour of the Council. This meant that the LRS had one too many representatives on the MJRC and in terms of the Minute of Agreement.
- 3.3 In order to allow the Council and the LRS to resolve this position the BHA agreed in December 2017 to extend the Horseracing Licence until 7 April 2018, with the next race meeting due on 2 May 2018.

- 3.4 Council approved an interim solution by replacing the Musselburgh Joint Racing Committee with the Musselburgh Racing Associated Committee ('MRAC') which was constituted in accordance with the advice provided in the independent governance review. At the time the Minute of Agreement between East Lothian Council and Lothians Racing Syndicate Limited and recorded in the Books of Council and Session on 10 December 2015 ('Minute of Agreement') remained unchanged. This was in conflict with the new scheme of administration and required to be either terminated or adjusted so that it was in line with the Council's scheme of administration.
- 3.5 The Council and the LRS were unable to agree terms to allow the Minute of Agreement to be adjusted in time for the deadline set by the BHA and accordingly the BHA on the 7 April 2018 did not agree to extend the licence further. Constructive discussions remained ongoing between the parties and agreement on terms was reached so that on 25 April 2018 the Minute of Agreement was amended in accordance with the Scheme of Administration for the MRAC. The BHA were then willing to extend the racing licence until 15 October 2018 and no racing fixtures have been missed.
- 3.6 Following the extension of the licence a working group was established by the Council to consider and recommend the best operating model for the racecourse. This working group consists of Councillors, Council Officers, LRS and racecourse staff. In arriving at a determination by this working group Pinsent Masons LLP are providing detailed legal advice together with specialist knowledge of the racing industry. The intention is for the determination of the working group to be reported prior to the meeting of the Council on 26 June 2018.

4 POLICY IMPLICATIONS

- 4.1 There are no policy implications relating to this report

5 INTEGRATED IMPACT ASSESSMENT

- 5.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – N/A
- 6.2 Personnel – N/A
- 6.3 Other – N/A

7 BACKGROUND PAPERS

- 7.1 Minute of Council on 19 December 2017 (Private Report)
- 7.2 Minute of Council on 27 February 2018 (Private Report)
- 7.3 Members' Library Report, Governance Review – Musselburgh Racecourse. Members' Library Service Ref: 37/18. March 2018 Bulletin.
- 7.4 Minute of Council on 24 April 2018

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