

REPORT TO: The Musselburgh Racing Associated Committee

MEETING DATE: 19 March 2019

BY: Senior Operations and Commercial Manager

SUBJECT: Operations and Commercial Report

1 PURPOSE

- 1.1 To update the Committee on the commercial and operational performance of the Racecourse for 2018/19.

2 RECOMMENDATIONS

- 2.1 The Committee are asked to note the report.

3 BACKGROUND

3.1 Highlights

New Year's Day sales delivered strongly with a sell-out crowd and income resulting in £18,000 above budget at £108,000.

Betway have verbally committed to repeating their sponsorship of New Year's Day in 2020.

3.2 Advertising and Marketing

New Year's Day was a very successful day and our second sell-out crowd, with £25,000 increase on admissions compared to 2018. We saw a strong growth in footfall and a healthy uptake on package sales. This year, in order to tap into the VIP market, we tailored an exclusive package to the lifestyle crowd by introducing our boutique exclusive Yurts. This package also sold out and we will look to increase capacity for New Year's Day 2020.

Easter Saturday Raceday sales are healthy for our first flat Sensational 6 fixture of the year and are 27% up year on year. Due to the success of our private Yurts on New Year's Day, we have also rolled them out for Easter Saturday and sales are doing well. We expect our Yurt package to sell-out again. Other raceday packages such as Fish and Chips are up +162%.

Ladies Day, we have introduced a wonderful Pommery Champagne Garden package, which launched last week and our Picnic Pavilion sales are up 41% year on year.

3.3 **Raceday Operations**

Sensational 6 Planning

Planning for this year's Sensational 6 Racedays is well underway.

A cost comparison was carried out between marquee providers, which has resulted in the retention of our current supplier Arc Marquees; this is based on both cost and quality. Services for other key elements are secured.

Easter will see a mix of children's entertainment, return of the successful Yurt package introduced at New Year with availability doubling and music from the Funk Wagon Team.

Ladies Day sees Edith Bowman DJ'ing the after party and the introduction of a new Stage area at the heart of the racecourse.

Health & Safety

The annual raceday staff Health and Safety meeting was held on Wednesday 27 February with over 60 staff in attendance covering a range of raceday areas. During this session staff heard from our Safety Officer, Clerk of the Course and Police Scotland. In addition we received a presentation from Alzheimer Scotland about their initiative, Dementia Friends, which aims to raise awareness about Dementia and reduce the stigma. The staff in attendance found this very beneficial.

As part of the application for the safety certificate, our annual safety checks are being carried out and application for the certificate is on schedule.

We are holding a table top exercise on 27 March with our key management team, Safety Officer and blue light services to review plans in the event of a Major Incident.

3.4 **Corporate Hospitality**

Corporate Hospitality profit was previously reported to be on target.

With the recent abandonments, the income/expenditure for these meetings have been zeroed.

This reduction shows a 35k loss in profit.

Raceday Reports

New Year's Day

Hospitality was slower to sell than last year, which was an exceptional year.

Queens Stand bookings were down by a third, with only 1 booker repeating from last year. Judy Murray and her family were welcome guests on the day, with Judy very willing to interact with the crowd.

Although Corporate bookings were down, Epperston packages (in Restaurant and Lothian Suite) were up by 9%, but not quite enough to bring up to budget.

Easter Saturday

Queens Stand fully booked since February. Only 3 parties with large bookings coming on the day:

A 30th birthday for 25/30 guests, a retiral and sale of business for 45/50 and a 25th anniversary of a business for 57 guests.

Epperston also fully booked since February (61).

Ladies Day

Champers and Hampers (moved location) SOLD OUT.

Epperston SOLD OUT.

Lothian Suite still plenty availability.

Private Suites 3 suites sold.

VIP Marquee 10 tables sold.

Concentration is being given to the VIP Marquee and Lothian Suite sales, as these are behind last years at this time.

Projected 1st Quarter sales

Sales for the first quarter are at 50%, which is running just below last year at this time.

Going forward for rest of year, promising bookings such as an Edinburgh Accountants booking for 60 (possibly more) in August. This is timely, to fill the gap that Wilkinson and Associates left.

3.5 Sponsorship

Betway undertook their first sponsorship package at Musselburgh on New Year's Day, with exclusive branding rights to the day and all races. They were delighted with the activity and profile, both on course and via ITV. They have committed to sponsoring again on New Year's Day 2020. The agreed price remains the same as 2019 at £20,000, however they are interested in increasing their hospitality spend. Although the sponsorship income is less than we would have liked we feel it is better to secure a repeat sponsorship than re introduce this to the market, where there are already a significant number of competing opportunities available.

More generally, we are finding sponsorship sales challenging. We have circulated proposals for Easter Saturday to all bookmakers, operating online and on the High Street. We are the main site for ITV4 coverage on the day and normally this level of coverage would be of significant interest to this Industry and would attract between £40 - £50k sponsorship income. Betway and William Hill have been the only bookmakers to show interest however, Betway have since declined due to their current sponsorship commitments on this weekend. William

Hill have been working hard to secure a bigger race sponsorship budget but this is still much less than it used to be. Now they only commit to activity about 1-3mths in advance. This is a significant shift in strategy, which used to encourage them to sign up and secure deals for 1-3 years at a time. This change is partly to do with the uncertain impact of the decision regarding FOBT and a change in management.

The lack of forward planning by Sponsors makes putting on big racedays higher risk. From discussion with other racecourses, we are not alone in finding the environment for sponsorship sales challenging.

We will continue to discuss the opportunity with William Hill as well as look at other opportunities to attract sponsors to this day. As Easter Saturday is currently just 9 weeks away we may need to consider adjusting the budgeted income. A verbal update on this will be provided at the meeting.

Un-sponsored race titles have been used to good effect by branding them up for RacingTV (previously known as Racing UK). If we provide enough profile for RacingTV we are rewarded via their Champion Chase Competition. This returns money to the racecourse that provides the most race titles and branding opportunities. So far in 2018/19 we have secured £5,000 income which goes into fixed miscellaneous income.

4 POLICY IMPLICATIONS

4.1 NA

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 NA

7 BACKGROUND PAPERS

7.1 None

AUTHOR'S NAME	Sarah Montgomery
DESIGNATION	Senior Operations and Commercial Manager
CONTACT INFO	07796314733
DATE	07 March 2019

