



**MINUTES OF THE MEETING OF  
MUSSELBURGH RACING ASSOCIATED COMMITTEE**

**TUESDAY 5 MAY 2020  
MEETING HELD BY CONFERENCE CALL**

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**Committee Members Present (via Skype/Phone):**

Councillor F O'Donnell (Chair)  
Councillor S Currie  
Councillor A Forrest  
Councillor K Mackie  
Mr R Miller-Bakewell  
Mr R Anderson Green

**In Attendance (via Skype/Phone):**

Mr B Farnsworth, Racecourse General Manager  
Mr D Kennedy, Racecourse Financial Controller  
Mr A McCrorie, Depute Chief Executive, ELC  
Mr C Grilli, Service Manager, Legal and Procurement, ELC  
Ms R Crichton, Committees Assistant  
Ms J Mackay, Communications Officer

**Clerk (via Skype):**

Mrs L Gillingwater

**Apologies:**

None

**Declarations of Interest**

None

## **1. PUBLIC MINUTES OF MEETING ON 20 APRIL 2020 FOR APPROVAL**

The Committee agreed to approve the public minute of the meeting of 20 April as a true record, subject to the following amendments:

Item 1: Public Minute of Meeting of 24 March for Approval – para. 1 to be amended to read: ‘Noting the decision of Mr Anderson Green and Mr Miller Bakewell not to agree the minute, on the basis that two proposed amendments to Item 4 had been rejected, the remaining members of the Committee agreed to approve the public minute of the meeting of 24 March as a true record, subject to the following amendments ...’

## **2. PROCUREMENT/BHA UPDATE**

A verbal report was delivered by the Council’s Service Manager – Legal and Procurement, providing an update on the procurement process and the Racecourse licence.

Mr Grilli advised that the BHA had agreed to extend the licence until 31 October 2020. On the transfer of the Racecourse to Chester, he indicated that negotiations were continuing positively. He noted that, with racing at a standstill due to the COVID-19 situation, there was no certainty as to the short and medium-term impact on the racing industry. However, both the Council and Chester were working to provide some level of certainty for both parties to operate in a COVID-19 environment. He hoped that he would be in a position to make a more detailed announcement on the operation of Musselburgh Racecourse within the coming weeks.

The Chair welcomed the extension of the licence and expressed her gratitude to the BHA for taking account of the special circumstances.

Mr Miller-Bakewell sought clarification from Mr Grilli as to the date in March on which the Council provided Chester with the contract for signing. He remarked that he assumed it would have been in mid-March in order to meet the 25 March target date. If that was the case, he observed that Chester would have been in possession of the contract for some seven or eight weeks. He asked if there was a deadline by which the contract had to be agreed.

Mr Grilli explained that prior to the COVID-19 outbreak, negotiations were on track for the contract to be finalised and signed by the handover date of 25 March. However, the situation had since changed significantly within the industry as a whole. He assured the Committee that discussions were continuing in order to provide certainty for both parties and in order for the Racecourse to operate in the post-COVID-19 climate. On that basis, he advised that there was no definitive deadline in place, although he hoped that he would be in a position to provide further detail within a few weeks. As regards the date that Chester received the contract, Mr Grilli reiterated that, prior to the COVID-19 outbreak, work had been continuing to finalise the contract, and that therefore no definitive contract had been exchanged. Mr Miller-Bakewell described this explanation as ‘opaque’.

Councillor Currie commented that the contract negotiations were an operational matter, and he assumed that all members of the Committee were in support of the discussions continuing in order to get the transfer concluded. He emphasised the importance of Chester being assured that this was the case. Councillor O'Donnell added that it was also important for the BHA to have this assurance.

Mr Anderson Green expressed concern that the Committee had not been involved in the day-to-day discussions regarding the contract, and questioned whether any changes to the terms of the contract, which had been agreed by the working party, could be made without infringing the entire tender process.

Mr Grilli reassured the Committee that both parties were moving forward in the spirit of the terms of the tender documents, and that discussions were focused on ensuring compliance with the tender process whilst also trying to deal with the impact of COVID-19 on the racing industry.

In response to a request from the Chair, Mr Grilli undertook to update the staff via the GMB on the situation. The Chair highlighted that Mr Grilli would not take any action that would place the Racecourse at risk.

Mr Anderson Green suggested that Chester should be given a deadline by which to conclude the contract, given that the licence had only been extended to October. He also suggested that a 'Plan B' should be in place to avoid further uncertainty for staff and the racing industry.

Councillor Currie sought confirmation from the LRS members that they were in favour of the transfer to Chester going ahead. He felt that it was important to clarify this publicly in order to provide comfort to the Committee, the staff and Chester. Mr Anderson Green confirmed that the LRS was in favour of the transfer, based upon the terms of the tender. However, he could not provide such confirmation if changes had been made to the agreement without the Committee being informed of those changes. He did not feel that Mr Grilli had provided sufficient reassurance on this matter.

The Chair advised that a further meeting of the Committee would be arranged for two weeks' time, and that this matter could be discussed further then.

## **Decision**

The Committee agreed to note the update.

### **3. GENERAL MANAGER'S REPORT**

A report was submitted by the Racecourse General Manager providing an update on the financial forecast, the resumption of racing, and other associated matters.

Bill Farnsworth presented the report, advising that a new financial forecast had been prepared, which was based on the latest information available. He drew attention to the figures set out in Financial Forecast section of the report, which

showed a projected loss of £375,360 in 2020/21. He advised that the Racecourse had started the financial year with a positive balance of £94,780, and anticipated that the closing position in March 2021 would be a loss of £280,580. He noted that if the deal with Chester was concluded by the end of the year, after the sale of the machinery and the Britbet investment, there would be a loss of £56,118. He stressed that these figures were based on the assumptions set out on pages 1 and 2 of the report, assuming no exceptional costs in the current financial year; any such costs would need to be added to those figures.

Mr Farnsworth pointed out that the forecast set out in the report was a cautious one, and that he had believed that it could improve significantly. However, he stressed that he was no longer confident that this was the case, warning that the whole of the flat racing season could take place without spectators, and that the costs associated with racing behind closed doors were higher than anticipated. In speaking to the report, he therefore now felt that the forecast was realistic rather than cautious.

Mr Farnsworth remained optimistic about the future of racing at Musselburgh, and believed that the Racecourse could emerge stronger, with an improved fixture list. However, he estimated that it would take several years to address the deficit. He suggested that future profits should be held in reserve so that the Racecourse could deal with future situations like COVID-19. He noted that the forecast was based on the current operating model, and this was subject to change on the transfer of the Racecourse to Chester.

The Chair believed that racing behind closed doors would have a positive impact on viewers' morale. She asked about plans being prepared for social distancing arrangements. Mr Farnsworth indicated that there were currently no plans in place for social distancing measures, as the main focus was the resumption of racing behind closed doors. He advised that this was a complex logistical issue. He indicated that the industry was prepared for racing behind closed doors to be in place until September. On the resumption of racing, the industry would work with the Government as regards reintroducing spectators.

On the restarting of racing behind closed doors, Councillor Currie highlighted potential risks with spreading the virus if people are travelling between racecourses. Councillor Currie also mentioned that the Chancellor of the Exchequer had just indicated that the continuation of the furlough scheme was not sustainable, and may not continue beyond 2-3 months. That being the case, he asked what the impact would be on the Racecourse and the staff.

Mr Farnsworth advised that he had taken account of that scenario in the financial forecast. He anticipated that there would be no spectators until November, and noted that with the exception of New Year's Day, racing in the winter months was generally not well attended. He maintained the view that Musselburgh was the best-placed racecourse north of Newcastle to restart racing, on the basis of its reputation for staging additional meetings at short notice, the absence of drains on the track, and the good water supply. He was also of the view that Musselburgh was in a good position to stage regular racedays behind closed doors, and that he would be promoting this view within the industry. He also mentioned that the viewing figures for racing behind closed doors would depend on the number of

other sports restarting – fewer sports would benefit racing. Mr Farnsworth reiterated his belief that the Racecourse would recover from the impact of the COVID-19 situation, that the first few years would be focused on addressing the deficit, and that Musselburgh was in a better position than many other racecourses.

The Chair warned that the challenges of racing behind closed doors should not be underestimated. However, she welcomed Mr Farnsworth's positive attitude, which she believed would reassure and motivate staff.

Councillor Forrest also welcomed Mr Farnsworth's positive outlook on the future of racing at Musselburgh. He stressed the importance of the Racecourse working with EnjoyLeisure to ensure that there was no conflict between racing and golf events. Mr Farnsworth indicated that this would be considered; however, it was too early to plan for this as the resumption of the UK racing plan had not been produced. He hoped that Musselburgh would feature in that plan and, that being the case, the Racecourse would work with EnjoyLeisure.

Mr Anderson Green asked about the position regarding the Racecourse rent. Mr Farnsworth advised that the figure of £100,000 stated in the report was an assumption, and that he was still waiting to hear from the Council as to the actual figure. Mr McCrorie advised that this issue was currently under consideration.

In response to a question from Mr McCrorie in relation to the value of machinery, Mr Farnsworth clarified that the value of the machinery was £130,000, and that there was an additional £20,000 of fixtures and fittings.

On the rent, Councillor Currie emphasised the importance of the Council adopting a consistent approach across all of its properties that it leased. The Chair commented that the UK and Scottish Governments were also looking at options as regards rent payments.

## **Decision**

The Committee agreed to note the report.

## **SUMMARY OF PROCEEDINGS**

The Chair informed the MRAC that they would exclude the public from discussion of Item 4, and the minute of private business from the meeting on 20 April 2020, which contained exempt information by virtue of Paragraph 6 (information concerning the financial or business affairs of any particular person other than the Authority) of Schedule 7A to the Local Government (Scotland) Act 1973.

## **HR Matters**

A private report concerning HR matters was approved.

## **Private Minute of the MRAC Meeting of 20 April 2020**

The private minute of the meeting of 20 April 2020 was approved, subject to a number of amendments.