



Northern Ireland
Assembly

Committee for Agriculture, Environment and
Rural Affairs

OFFICIAL REPORT (Hansard)

Horse Racing (Amendment) Bill: Department
of Agriculture, Environment and Rural Affairs

16 September 2021

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Declan McAleer (Chairperson)
Mr Philip McGuigan (Deputy Chairperson)
Ms Clare Bailey
Mrs Rosemary Barton
Mr John Blair
Mr Harry Harvey
Mr William Irwin
Mr Patsy McGlone

Witnesses:

Dr Samantha Stewart	Department of Agriculture, Environment and Rural Affairs
Mr John Terrington	Department of Agriculture, Environment and Rural Affairs

The Chairperson (Mr McAleer): I welcome, via StarLeaf, John Terrington, head of the Bill team, and Dr Samantha Stewart, deputy head of the Bill team. I invite you to make a five-minute briefing. That will be followed by questions.

Mr John Terrington (Department of Agriculture, Environment and Rural Affairs): Good morning, Chair and members. Thank you for the opportunity to present to the Committee on the Horse Racing (Amendment) Bill. As you say, I am joined online by my colleague Dr Samantha Stewart. The previous time that officials spoke to the Committee on the Bill, it had just been introduced to the Assembly. With the support of the Committee, it subsequently passed Second Stage and moved to Committee Stage. More recently, the Department wrote to the Committee summarising papers provided by the Department on the Bill. As the Chair noted, that correspondence included a response to the queries raised by members following the Committee's consideration of the Research and Information Service report on the Bill. Hopefully, members are therefore aware of the scope and details of the Bill, which is being brought forward to allow for a reinstatement of payments from the horse racing funds to both Northern Ireland racecourses. It will be in line with the aims of the Horse Racing Order and allows for the continuation of support provided for by that legislation for around 30 years.

As members will recall, the Horse Racing Order names the operator of each racecourse as a beneficiary to the fund. However, it has not been possible to provide support from the fund to Down Royal since the change in management at that course in 2019. It is that key matter that the Bill seeks to address. As a consequence of UK subsidy control rules, it is the Department's assessment that it is

also not possible to fund Downpatrick without the proposed amendment, as doing so has the potential to create unfair competition in the market.

At the Bill's Second Stage, Members picked up a number of issues raised during the Department's consultation, some of which are likely to be raised again during the Committee's call for evidence. They include the potential to extend payments into the fund from online betting and the extension of the scope of the fund to support racing outside the two current named locations and, indeed, in support of greyhound racing. I will not dwell on those matters now as they will, no doubt, come up during discussions and scrutiny. However, as set out when we previously briefed the Committee, and by the Minister during the Second Stage debate, while the clear and immediate priority is to reinstate payments to both racecourses as soon as possible, it is recognised that a more fundamental review of the legislation will be necessary. You will look to pick up on many of the issues raised by consultees and in the Assembly debate. However, key to that is an issue that is outside the Department's responsibility and fundamental to any review: the licensing of online bookmakers. Given the relationship between the fund and the licensed bookmakers, it will not be practical to make major changes until that issue is fully considered by the Department for Communities.

At this point, I will briefly mention an amendment to the Bill that DAERA hopes to table. The amendment, which has been shared with the Committee, adds a transitional provision that is necessary to ensure that payments can be reinstated as soon as the Bill is enacted. We are happy to address any queries on that, alongside, of course, the consideration of the Bill itself.

As well as the proposed amendments, members will have seen the Bill and the explanatory and financial memorandum that accompanies it. The most recent letter from the departmental Assembly liaison officer provided a short clause-by-clause summary of the Bill. I am happy to take members through the detail of the clauses, if the Committee wishes. If not, I can conclude. Do you want me to go through the clauses? I am aware of time pressures.

The Chairperson (Mr McAleer): Do any members have any views on going through the clauses? I am conscious that we have the Bill and the details. Do members want to go through the clauses? OK, John, are you OK to take questions at this stage?

Mr Terrington: Sure. I will briefly conclude, and then we can discuss it. I am happy to explain each of the clauses throughout the Committee scrutiny process, if not now. The Bill aims to amend the beneficiaries at Down Royal and, in doing so, to allow payments to both racecourses, as envisioned in 1990. For the most part, it seeks to do nothing beyond that. I hope that that has given the Committee a quick recap of the Bill's aims and content. I have no doubt that the Committee will want to discuss it in more detail over the next few weeks. I am happy to take questions.

The Chairperson (Mr McAleer): Thank you very much, John. Two stakeholders raised the fact that the payments will be made to profit-making enterprises. What is the Department's view on that concern?

Mr Terrington: The Department does not see any particular issue with that. There are no restrictions on the type of operator who may receive support in the Horse Racing (Northern Ireland) Order 1990. I do not think that there is any reason why they should not. The 1990 order sets out that the money must be used in support of the racecourses in those two locations, and there are certain controls such as requiring the operators to provide business plans to the Department, in addition to their annual accounts. The use of the money is clearly audited to meet the legislative requirements and to support horse racing at those courses. We do not think that there is any bar on that.

The Chairperson (Mr McAleer): Have you had any recent conversations with the Department for Communities about the wider strategic review of licence fee charges to bookmakers?

Mr Terrington: Is your question about the licence fee that bookmakers have to pay in order to be licensed in Northern Ireland?

The Chairperson (Mr McAleer): Yes, I mean the wider review that is with the Department for Communities.

Mr Terrington: We have kept in touch with the Department for Communities throughout its review and made comments on it. It has been back and forth. Our understanding is that, whilst it is taking forward

a review of the legislation that governs licensing, the issue of the definition of a licensed bookmaker is not to be included in the first stage of amendments to that, which is in draft legislative form and which the Executive have agreed to introduce to the Assembly. It does a number of things, none of which directly cross-cut with DAERA's responsibilities or with the horse racing fund. Both Ministers, in bringing the two pieces of legislation to the Executive, agreed that it was necessary, where issues overlap, to work together in the longer term. That process is ongoing, but, as I said, unfortunately or fortunately, the bit that overlaps, which is part of DFC's review, will not happen in the short term.

The Chairperson (Mr McAleer): I am aware that the aim is to restore the funding to both racecourses. Have any further steps been taken with a view to expanding its scope to, for example, greyhound racecourses?

Mr Terrington: In the first instance, as you noted and as I noted in my introduction, the aim of this legislation is narrow: it looks to amend the Horse Racing Order. As the Minister and I have mentioned, expanding that to include greyhound racecourses, or anywhere else, would be subject to a fundamental review, in the sense that you would have to look at the relationship between gambling and greyhound racing. You would have to look at how the fund is collected and gets paid out.

That said, we have done some groundwork, with the aim of putting the terms of reference of a review to the Minister at some point. Looking at the relationship between all those pieces is fairly complicated stuff, but that does not mean that we should not do it. Again, I conclude that, ultimately, the key thing is the licensing review, which sits with DFC. Any major review that we take forward will have to sit in light of its definition of licensed gambling and licensed bookmakers in Northern Ireland.

The Chairperson (Mr McAleer): Perfect. Thank you very much for that. It is very helpful to our ongoing scrutiny of the Bill. Thank you, John and Samantha, for attending this morning.

Mr Terrington: You are very welcome. Of course, we remain on hand to deal with any other queries that you want to raise following the Committee's gathering of evidence from other stakeholders. Thank you very much.

The Chairperson (Mr McAleer): Perfect. Thank you. Do I have the Committee's agreement to publish the Department's briefing paper on the website?

Members indicated assent.