



Committee for Agriculture, Environment and Rural Affairs

OFFICIAL REPORT (Hansard)

**Horse Racing (Amendment) Bill: Down Royal
Racecourse**

23 September 2021

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Philip McGuigan (Deputy Chairperson)

Ms Clare Bailey

Mrs Rosemary Barton

Mr John Blair

Mr Harry Harvey

Mr William Irwin

Mr Patsy McGlone

Witnesses:

Mr Robert Conan Down Royal Racecourse

Ms Emma Meehan Down Royal Racecourse

The Deputy Chairperson (Mr McGuigan): I welcome, via StarLeaf, Emma Meehan, chief executive of Down Royal Racecourse, and Robert Conan, director. You are both very welcome. I invite the representatives to take five to 10 minutes to brief the Committee.

Ms Emma Meehan (Down Royal Racecourse): Perfect. Thank you very much. Good morning and thanks to the members of the Committee, on behalf of Down Royal Racecourse, for your time this morning and for the opportunity to speak to you directly.

I am the chief executive of Down Royal Racecourse. I took over the role at that prestigious racecourse after many years of operating a racecourse in the Republic of Ireland, bringing with me a wealth of experience and great ambition for Down Royal's future. I am joined by Robert Conan, a director of Merrion Property Group, the company that bought Down Royal in 2006. After 2006, Merrion Property Group continued to provide a lease to the Down Royal Corporation of Horse Breeders. The lease expired in 2019, upon which Merrion Property Group took over the operation with me as CEO.

Since commencing as operators of the racecourse in January 2019, we have brought forward and carried out the same level of horse racing activities as the previous operator of the venue. However, we have been ineligible for support from the horse racing fund. During 2019, 2020 and 2021, we have run the full racing calendar, as granted by the racing body, Horse Racing Ireland, and permitted by certain short-term COVID regulations. It is important to note that, despite the lack of access to the fund, we have invested circa £588,000 in the infrastructure and in health and safety measures that were required, such was the level of underinvestment when we took over. The effects of COVID-19 have led to a 66% decrease in turnover, and, during that time, we have had to seek internal group

loans to maintain the grade 1 prize funds at Down Royal and invest as I have outlined. That is not sustainable without access to the horse racing fund.

In the context of an opening statement, it is prudent to stress the role of Northern Ireland's two racecourses, most notably Northern Ireland's premier grade 1 racecourse, which is Down Royal. A subsection of the Deloitte analysis of the Northern Ireland equine industry from 2019 states that the economic value generated by Down Royal and by Downpatrick Racecourse, plus the other point-to-point courses, in line with the actual attendees at those venues, is circa £9 million as a return to the economy. That is further weighted by our contribution to the rural and agriculture sector and the direct correlation with breeding and training. The Equine Council for Northern Ireland refers to the direct correlation between the successful running of racecourses and the production of thoroughbred horses. Therefore, if Down Royal is not named as a beneficiary of the fund, it will create significant adverse economic impacts. Such a failure would jeopardise the viability of Down Royal's contribution to the economy and thoroughbred horse racing in Northern Ireland, alongside the industry activity and the wealth of jobs that are associated with the running of Down Royal Racecourse.

We are very proud of our successes since we took over the operation in January 2019. Those have directly supported the objectives of the fund. We have secured — I am very proud of this — stadium status in Northern Ireland; we are now one of three stadiums of significant importance to Northern Ireland. We have increased attendances. Obviously, that was pre COVID, but it was from a standing start. We gained an 80% increase in sponsorship investment, which, again, was from a standing start, and we increased employment in tandem. We are so ambitious for a post-pandemic recovery. We aim to expand the existing racing calendar, increase attendances in line with our 2019 trajectory, and increase employment in line with the maturation of the business. However, to ensure that, it is vital that we regain access to the horse racing fund in a timely manner. If any further delay were to happen in that regard, it would negatively impact the sustainability of the racecourse.

I am very happy to open the floor to questioning.

The Deputy Chairperson (Mr McGuigan): Thank you very much. I will kick off before I go round the room to any other members who may have questions. You said that you have been able to proceed with a full race calendar. Given the lack of access to the fund, what have you been unable to proceed with?

Ms Meehan: "Nothing" is the short answer. Understanding that we would not have access to the fund in the first year, we committed to plugging the deficit. Historically, the corporation would have used the funding in line with the objectives of the fund. The money could be utilised for prize money or enhancing safety with regard to spectators and technical aspects to ensure the safe conduct of racing. The corporation chose to bolster the prize money for the Northern Ireland Festival of Racing. Historically, that happens in the autumn/winter period. It constitutes the grade 1 profile of the racetrack and features the grade 1 Champion Chase. Such was the deficit of money that we committed to plug that, and we did that through sheer endeavour. We have a 100% strike rate in commercial sponsorship, which we did from, again, a standing start. We brokered deals with 56 new partners to plug the prize money deficit.

Grade 1 racing is so important to Down Royal. It is very important to the economy in Northern Ireland. It is also very important to bookmakers through the turnover that is associated with such a flagship two-day festival. We are committed to doing that. Obviously, we are very good at what we do in terms of this being a business. We will commit to sustaining that level of prize money, but we can do that from a commercial standing only if we have the fund in tandem so that we can use the fund to ensure that there is continued investment in the facilities and the highest standards of integrity with regard to the running and the betting product that the bookmakers capitalise on.

The Deputy Chairperson (Mr McGuigan): You explained the business model a wee bit, but obviously you very forcefully talked about what you would lose out on if the fund were not given. Will you elaborate a bit more on the measures that you have taken to diversify income?

Ms Meehan: It is important to stress that we have already invested £588,000, such was the level of underinvestment, since taking over. Our most notable conversation was with Lisburn and Castlereagh City Council about setting a minimum standard in line with the safety of sports grounds legislation. We had to look at the crush barriers in the main grandstand and at anti-slip surfaces. We had to replace the roof, and so on. That amounted to £588,000 in investment within the first 12 months of the operation.

When it comes to diversifying the incomes, the model is, obviously, the model. It is a social-contact business. We rely heavily on people coming to the site to contribute to our hospitality income. Obviously we have maintained that, and we increased those levels, from a standing start, in 12 months, but COVID put a stop to our ability to diversify incomes. We are now looking towards our full attendances coming back at our two-day meeting in October, and we are looking to reflect the 2019 levels into 2021 without a full overview of the economic impact of the pandemic. Diversification is not something that we can constitute at the moment until we get back on our feet.

The Deputy Chairperson (Mr McGuigan): Nobody else has indicated that they want to ask a question, so I thank you very much, Emma and Robert, for coming along and making your presentation.

Ms Meehan: Thank you.