

THE STARTING PRICE  
REGULATORY COMMISSION

# SPRC

ANNUAL REPORT 2024



APRIL 2024

# CHAIRMAN'S STATEMENT

**It is my privilege to introduce the Starting Price Regulatory Commission's Annual Report for 2024. This year, the Commission has faced a changing landscape that has required focus, adaptability, and continued collaboration with various stakeholder groups across the horseracing and betting industries.**

The Commission has directed significant attention to monitoring and refining the revised Starting Price (SP) system implemented in May 2022. While the system remains robust and achieves its aim of fairly representing the prices generally available at the "off," external market conditions and regulatory challenges have created notable pressures for all parties involved in British horseracing.

The trends of slightly increasing SP overruns per runner observed in recent years halted and partially reversed during 2024, with average levels for the year settling around historical benchmarks. There was a noticeable drop in average overrun per runner through the middle part of the year which did not persist towards the end of 2024. This prompted some public discussion about market dynamics, including the impact of rising bookmaker operational costs, evolving trading policies, and the narrowing customer base which may have been affected by the impact of betting operators carrying out consumer affordability checks. While the Commission does not set prices or intervene in commercial activities, we remain committed to maintaining a framework that ensures the integrity and fairness of the SP mechanism. As a result, the Board made some small but important adjustments to its policy for returning SPs in July 2024 which are set out later in this report.

Stakeholder engagement has been a key priority this year. We maintained active dialogue with regulatory bodies such as the Gambling Commission and the Department for Culture, Media and Sport (DCMS), as well as with consumer groups like the Horserace Bettors Forum (HBF) and industry representatives such as the recently-formed United Council of Racecourse Bookmakers (UCORB). These discussions have helped us address concerns and strengthen our collective understanding of the evolving marketplace.

On a personal note, 2024 marked the retirement of Lord David Lipsey, whose invaluable contributions, wisdom and dedication have helped shape the SPRC since its inception. As this document was about to be published, we heard the very sad news of Lord Lipsey's untimely passing. On behalf of the Board, I'd like to pass on our condolences to his widow and family. He will be sorely missed.

Lastly, I would like to express my gratitude to the Commission members (including our new additions, Mike O'Kane and Bruce Millington), our Technical Sub-Committee, and the entire operational team led by Nigel Burns. Their expertise and commitment have enabled us to navigate a complex year with professionalism and precision.

**Nick Rust**

Chair, Starting Price  
Regulatory Commission

## 1 MONITORING THE STARTING PRICE SYSTEM

### MONITORING AND AUDITING ARRANGEMENTS

Throughout 2024, the Commission continued to prioritise robust monitoring and auditing of the SP system to ensure its accuracy and reliability. Building on the enhancements introduced in prior years, the operational team reviewed real-life case studies and expanded their regular reporting to provide deeper insights into market behaviour.

The operational team remains vigilant in monitoring price movements to ensure that the final SP is based on legitimate prices being offered and laid at the time of the "off". An example of where such vigilance helped identify an abnormality occurred in early 2024 when one of the operators available to the SP sample appeared to shorten its prices significantly in the minute leading up to the scheduled off time of several races during one afternoon. The price source was excluded from the final selection of price sources for the determination of the SP whilst the team raised the issue with the betting operator. It transpired that an in-play betting feed was being switched on as the main price feed about a minute before the off, making the price source redundant given the margin profiles built in to higher-risk in-running prices.

### CONTINGENCY PLANNING FOR PRICE SOURCE AVAILABILITY

Though the SP currently is drawn from seven distinct price sources from betting operators whose businesses accept a substantial majority of the UK market for betting on British Racing, the Commission is acutely aware of the challenges posed by potential market consolidation which could in future impact the availability and diversity of SP price sources. Efforts to engage additional price sources continue in order to ensure the resilience of the SP sample, maintaining the Commission's commitment to fair representation of market prices.

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## 2 CURRENT MARKET ISSUES

### SP OVERROUND TRENDS AND MARKET DYNAMICS

Average SP overrounds per runner for the year (see Appendix B) settled at historical averages. Average overrounds had been steadily reverting towards this historical average in the years since an abnormal low in 2020 which was likely created by an extremely competitive off-course market in the months after British racing recommenced behind closed doors following a suspension due to the covid-19 pandemic, and the elevated field sizes which arose from a glut of runners that had been denied a run for several months.

There was an unusual pattern across the year, however, with average overrounds dropping reasonably substantially below historical averages in the period from April to September, reverting to historical norms later in the year. The Board has not been able to make a complete diagnosis of the reasons behind this reduction during the summer period, but it may be that several off course firms that had generally removed Best Odds Guaranteed from their customer offer were seeking to remain competitive through sharper pricing.

The trend of an overall return to historical norms since the low average overrounds per runner of 2020 and 2021 may be being impacted by macro factors in the market for betting on British racing. These include a narrowing of the horserace betting customer base through changing consumer behaviour with newer bettors being introduced via non-racing products, regulatory pressures on operators leading to increased consumer checks for affordability and safer gambling, and increases in the costs of providing the racing product. All may contribute to upward pressures on margins.

The Commission recognises that these dynamics are likely to persist into 2025 and will continue to monitor their impact closely in case appropriate adjustments to its methodology for the SP are required.

### INDUSTRY ENGAGEMENT

In response to concerns raised by UCORB and other on-course bookmaker stakeholders (as well as some betting consumer groups) regarding the omission of on-course prices in the SP sample, the Commission engaged extensively with stakeholders. While on-course prices represent only a small fraction of the overall market for betting on British racing (averaging 1–1.5%), the Commission remains open to their inclusion provided they meet established criteria.

Conversations with DCMS officials have also reinforced the importance of maintaining an evidence-based approach to SP methodology. As the industry navigates ongoing regulatory changes, the Commission remains committed to fostering transparency and collaboration.



## 3 OPERATIONAL MATTERS

### BUSINESS CONTINUITY AND TECHNOLOGICAL DEVELOPMENTS

The operational team at Podium Sports (formerly PA Betting Services) has continued to deliver high-quality SP validation throughout 2024. The team has also initiated new transparency measures, including production of a video “explainer” detailing how the SP is determined which will be delivered in the second half of 2025. This initiative aims to enhance public understanding and trust in the SP mechanism.

### ENGAGEMENT WITH STAKEHOLDERS

The Commission has made significant efforts to strengthen its engagement with both consumers and industry representatives. Feedback from stakeholders, including correspondence received via the SPRC website, has informed several discussions at Board meetings. Key topics this year have included fractional price fairness and the role of on-course bookmakers in the SP sample.





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# APPENDIX

## A THE STARTING PRICE REGULATORY COMMISSION – AN OUTLINE

### 1 PURPOSE

The Starting Price Regulatory Commission (SPRC) is an independent body responsible for the integrity and accuracy of the starting price (SP). The SP is used in the settlement of a significant proportion of bets on British horse racing struck with licensed bookmakers in betting shops or through their websites. The role of the Commission is to ensure that the returned price accurately reflects the price available to bettors at the 'off' of each race.

The SPRC does not set individual prices, overrounds or margins, nor does it set targets for what they should meet. Indeed, its members would not wish to do so and substitute their judgement for that of the marketplace. The SPRC's responsibility is simply and straightforwardly to set the parameters by which the SP is calculated and to ensure, so far as within its power, that bookmakers and the SP validators – and the technology that they use to monitor market movements – are operating within the framework it has specified.

### 2 BACKGROUND

Starting Prices have been returned using the on-course market since the 18th century. With the growth of markets for betting off-course, it became essential that the SPs accurately reflected the on-course market and that they were seen to be independent of the bookmakers who accepted off-course bets. Governance therefore is of the greatest importance. The Starting Price Liaison Committee of 1994 was turned into the SP Executive in 1999, before the creation of the current body, the SPRC, in 2004.

The SPRC was created as a result of a study commissioned by the SP Executive, a group of representatives from the Mirror Group (then the owners of the Racing Post), SIS and the Press Association. The aim was to provide an opportunity for independent scrutiny of the processes used to return the SP, particularly to deal with questions about the accuracy and integrity of individual starting prices from off-course bookmakers, bettors and other interested parties, a role that the SPRC has fulfilled ever since.

The first set of operating rules for the SP was issued in 1998, and then updated in the following year. Following a review of the SP by Arthur Andersen, an accountancy firm, in 2000, further revisions were made. There were additional revisions in 2006. Prior to the emergency arrangements adopted as a result of the pandemic in June 2020, the most recent set of Operating Rules and Procedures was issued following a review by the Commission in 2011. The current revision – approved by the Commission and applied from 1st May 2022 – was revised further in July 2024.

### 3 COMPOSITION

The Commission currently consists of four independent Non-Executive Directors. From 6th April 2021 the SPRC has been chaired by Nick Rust, former Chief Executive at the British Horseracing Authority. His fellow directors are Richard Hayler, Managing Director of the Independent Betting Adjudication Service (IBAS), Mike O'Kane, a former Horserace Betting Levy Board member and Bruce Millington, former editor of the Racing Post. Lord Lipsey, a former director of the Tote and long-standing director of the SPRC, retired at the end of 2024.

The SPRC's work is funded by contributions from the bodies which control racecourse data rights. The SPRC's directors are all independent of bookmakers and would be obliged to declare if any conflict of interest arose.

The Commission meets at regular intervals throughout the year with executives of the racecourse data controllers in attendance. Ad hoc meetings are called as required to consider specific issues arising of interest to the SPRC.

The Commission's legal advisers are CMS.

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## 4 COMPANY STATUS

The Commission is a non-profit organisation operating on a cost recovery basis. The fees for its operations are funded by British racing's media rights shareholders: Racecourse Media Group (RMG), The Racing Partnership (TRP) and Satellite Information Services (SIS).

## B STARTING PRICE OVERROUNDS PER RUNNER JANUARY 2014–DECEMBER 2024

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
JANUARY	1.80	1.67	1.73	1.73	1.73	1.80	1.82	1.68	1.71	1.79	1.85
FEBRUARY	1.77	1.70	1.74	1.78	1.78	1.82	1.69	1.69	1.75	1.77	1.77
MARCH	1.74	1.71	1.70	1.68	1.76	1.89	1.75^	1.67	1.75	1.81	1.74
APRIL	1.67	1.65	1.68	1.70	1.72	1.86	**	1.65	1.72	1.79	1.67
MAY	1.68	1.66	1.68	1.71	1.75	1.86	**	1.66	1.74	1.83	1.67
JUNE	1.77	1.75	1.70	1.76	1.82	1.99	1.47*	1.66	1.76	1.84	1.62
JULY	1.74	1.80	1.72	1.77	1.89	1.94	1.62*	1.68	1.81	1.85	1.65
AUGUST	1.78	1.81	1.76	1.75	1.89	1.99	1.63*	1.68	1.78	1.81	1.67
SEPTEMBER	1.63	1.69	1.73	1.68	1.85	1.88	1.64*	1.70	1.75	1.80	1.68
OCTOBER	1.59	1.66	1.67	1.64	1.76	1.68	1.67*	1.68	1.73	1.81	1.72
NOVEMBER	1.72	1.69	1.77	1.72	1.74	1.73	1.67*	1.71	1.76	1.84	1.78
DECEMBER	1.72	1.73	1.69	1.75	1.80	1.88	1.66*	1.71	1.78	1.84	1.81
AVERAGE	1.72	1.71	1.71	1.72	1.79	1.86	1.66	1.68	1.75	1.82	1.72

Annual average for 2024 is 1.72

2020: ^Partial Month. \*Behind Closed Doors – Racing took place with no public attendance and therefore no on-course bookmakers.  
\*\*No Racing – Source: Racing Post



# C RULES FOR DETERMINING THE STARTING PRICE REFLECTING CHANGES APPROVED IN JULY 2024

As of 1 May 2022, the SP is based on the betting shows of a sample of betting operators operating in Great Britain who constitute a significant share of the overall market and meet the SPRC's qualifying criteria as a price source.

The SPRC will monitor the effectiveness of this process on an ongoing basis. Regular meetings of the SPRC's Technical Sub-Committee will review whether the process can be refined or improved to better reflect the off-course betting market and return the fairest possible SP.

## PRICE SOURCE PROVIDER – QUALIFYING CRITERIA

Bookmakers considered for inclusion in the SP sample must fulfil the following criteria:

- > Prices must be available to customers in Great Britain.
- > Prices must be offered with each-way terms.
- > Any participating bookmaker must undertake to provide a robust connection to Podium Sport's API to facilitate data delivery.
- > Each bookmaker must provide an independently priced feed and not recycle Podium's live show price.
- > Where more than one participating bookmaker is in the same ownership group a maximum of one feed per group will be considered, unless there is compelling evidence prices are independently controlled and competing.
- > Any price source provider must reasonably be expected to constitute a minimum of 1.5% of the total betting market for British horse racing. The SPRC will assess whether any new price source meets the minimum criterion using publicly available data.

## PRINCIPLES OF THE STARTING PRICE (SP) PROCEDURE

The starting price for each horse is the market price at the off, offered by selected bookmakers in a sample whose each-way terms for a given race most closely reflect the each-way terms offered to customers in the betting rules of a majority of off-course bookmakers. These rules are referred to below as "customary terms".

For each horse in a race the prices on offer by all bookmakers in the sample are ordered into a list from longest to shortest. The list is then divided into two equal halves and the SP is the shortest odds available in the half containing the longest odds. The SP or a longer price will have been offered by at least half the bookmakers in the sample.

## SELECTING A SAMPLE

There is no maximum sample size. The sample will be as large as possible in accordance with the procedure below. The sample will be an even number wherever practically possible in accordance with established procedures.

### a) Where all suitable bookmakers are betting to customary each-way terms

The SP validator will have discretion to include as many bookmakers in the sample as possible, in accordance with the procedure detailed above.

### b) Where a majority of suitable bookmakers are betting either to customary each way terms, an enhanced fraction, one additional place or offering a concession (such as cash-back)

Where some bookmakers are betting to non-customary each way terms, the sample will prioritise those betting to customary terms. The sample can then be topped up as far as possible with any bookmakers offering an enhanced fraction, a single additional place, or a concession, at the SP Validator's discretion.

### c) Where a majority of suitable bookmakers are offering more than one additional place, or a concession such as cash-back

In instances where the majority of suitable bookmakers are offering each-way terms which are enhanced by more than one place, or are offering a concession (cash-back), the sample will be determined by

calculating the median number of places being offered by those selected bookmakers, eligible to be sampled, and sampling the prices of every bookmaker offering that same number of places as the median, or fewer. The inclusion of any bookmaker offering an alternative concession will be at the discretion of the SP Validator.

For example, if 10 bookmakers are eligible for inclusion in the sample and their each way terms for a 40 runner handicap were:

1/4 – FOUR PLACES *	1/5 – SIX PLACES *
1/5 – FIVE PLACES *	1/5 – SIX PLACES *
1/5 – FIVE PLACES *	1/5 – SIX PLACES *
1/4 – FIVE PLACES *	1/5 – SEVEN PLACES
1/5 – SIX PLACES *	1/5 – EIGHT PLACES

\*Sampled Selection

The median offering would be 1/5 odds, 6 places. Any bookmaker betting to those terms would be included in the sample, as would those offering 1/5 five places, 1/4 five place and 1/4 four places.

If in an even numbered sample of bookmakers, there is a discrepancy at the median point between the terms offered by the two bookmakers either side of the median point, the sample should include both of those bookmakers and every other sampled bookmaker betting to these or less generous each way terms, for example:

1/4 – FOUR PLACES *	1/5 – SIX PLACES *
1/5 – FIVE PLACES *	1/5 – SIX PLACES *
1/5 – FIVE PLACES *	1/5 – SEVEN PLACES
1/4 – FIVE PLACES *	1/5 – SEVEN PLACES
1/4 – FIVE PLACES *	1/5 – EIGHT PLACES

\*Sampled Selection

The median offering would be 1/5 odds, six places. Any bookmaker betting to those terms would be included in the sample, as would those offering 1/4 five places, 1/5 five places and 1/4 four places.

It is not envisaged that any bookmaker can or will offer each way terms less favourable than those detailed in their betting rules. The SPRC is not aware of any bookmaker which offers horse race betting and applies each way terms less favourable than those detailed below ('customary terms').

No SP will be returned if for any reason a sample of prices from 3 bookmakers cannot be achieved.

5. Any bookmaker whose feed of prices appears to the SP validator to precisely mirror the PA's live show feed (i.e. which appears to be 'recycling' the composite live price feed) will be excluded from the sample.

## CUSTOMARY EACH-WAY TERMS

RACE TYPE AND NUMBER OF RUNNERS	FRACTION OF WIN ODDS	PLACES
All races with fewer than 5 runners	N/A	-
All races with 5,6,7 runners	1/4	1,2
All races with 8+ runners except those below	1/5	1,2,3
Handicaps, Nursery and Rated Stakes Handicaps		
Races of 12-15 runners	1/4	1,2,3
Races of 16+ runners	1/4	1,2,3,4

## EMERGENCY PROCEDURES/SYSTEM FAILURES.

SP Validators adhered to the above procedures. However, the regulations also stated: "In exceptional circumstances and where there is a need for flexibility to return an SP, the SP Validator must, if time permits, contact Podium management/Senior SP Validator to confirm their action which will meet criteria that enables transparency and upholds the integrity of returning an SP in all instances. In these circumstances it is permissible for SP Validators to use discretion and those details to be forwarded in writing to Podium management.

## MONITORING

The purpose of these rules is to ensure that the SP remains robust and is impartial to both punter and bookmaker. It follows from the sample selection rules that the sample may alter in successive races at the same meeting.



# D GLOSSARY

## GAMBLING COMMISSION

Police the regulatory aspect which forms part of a licence condition for bookmakers.

## PODIUM SPORTS (PART OF PA MEDIA)

Manages and employs the validation team

## RMG

Racecourse Media Group. Betting shop service providing pictures and data sources to the betting industry.

## SIS

Sports Information Services. Provider of picture and data sources to the betting industry.

## SP

The starting price for each horse is the market price at the off generally available to good money with bookmakers that make up a substantial part of the horse racing betting market in Great Britain, in a sample whose each-way terms for a given race most closely reflect the each-way terms on offer for that race in the off-course retail market.

## TRP

The Racing Partnership. Provider of picture and data sources to betting shops and the wider betting industry.



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