The Starting Price Regulatory Commission (SPRC) has been reviewing and updating permanent arrangements for returning SPs which will come into effect from 1 May 2022. The updated mechanism and rules can be accessed here.

The SPRC needed to put into place temporary arrangements using prices from off-course betting operators only to return an SP in the period after the return of British Racing from its covid-19 related suspension in June 2020 because spectators and on-course bookmakers were prevented from attending after the resumption. The Commission subsequently decided in March 2021 that the SP will in future be determined using mainly off-course prices given that such prices constitute more than 98% of the overall market. However, the Commission felt that further work was required to firm up the specific details of the methodology to account for current market factors such as differing each-way terms, and to give clearer guidance as to which price sources can be included in the available pool of prices from which the SP can be determined, and approved recommendations from its Technical Committee at its Board meeting of 24 February 2022.

The changes mean that the Commission will consider including any price source to be valid if it is freely available to customers in the United Kingdom, if the prices are available to each-way terms derived from the win-only price and if the price source operator constitutes at least 1% of the UK market for betting on British Racing\*. Where valid price sources come from betting operators that are in common ownership and do not demonstrate independent operation of the books run by their sister brands, only one price source will be included. The current list of price providers is Bet365, BetFred, Ladbrokes, Paddy Power, Sky Bet, Unibet and William Hill. The Commission would welcome the inclusion of other valid price sources that meet our criteria.

The other main amendment concerns the method for selecting price sources when differing (and non-standard) each-way terms are offered. The changes reflect up-to-date market dynamics.

The Commission is also releasing its 2021 Annual Report which can be accessed here. The report continues to show that average overrounds per runner (the bookmakers’ theoretical profit margin) have been considerably lower in 2021 than in the period before covid-19 when the SP was determined from the on-course market only. The previous findings of an adjustment to the relative prices of the first two in the betting remain consistent with the findings for 2020 and reflect demand in the overall market for betting on British Racing.

Nick Rust, Chair of the SPRC, said: “I’m grateful to my fellow Commissioners and the members of our Technical Sub-Committee for the work they have done to update the SP mechanism’. We needed to move from temporary arrangements put in place as a result of coronavirus to permanent ones which reflected both contemporary market dynamics and the Commission’s previous decision to move to a largely off-course price basis. The SP continues to be robust and plays a very important role in ensuring fair returns for betting customers whether betting at SP or benefitting from Best Odds Guaranteed.”

Finally, the Commission has reviewed and modernised its Terms Of Reference which can be found here.

\*This would mean an expression of on-course prices could be included since the overall on-course market is estimated to be around 1.5% of the total market. The SPRC has worked with the Betting and Gaming Council, whose members have made available monies to assist on-course bookmakers to produce a technical solution which can provide an observation of their prices should they wish their prices to be included in the SP.