

**Further analysis of machine data to
examine the impact of the £50 regulations**

Invitation To Tender

September 2016

1. Purpose and Scope of this Document

- 1.1. This document is an invitation to tender for further analysis of machine data to examine the impact of the £50 regulations.
- 1.2. The purpose and scope of this document is to:
 - 1.2.1. Provide tenderers with sufficient information to enable them to consider the appropriateness of this invitation and to respond
 - 1.2.2. Outline the information required in the responses
 - 1.2.3. Outline the tendering process and timetable
 - 1.2.4. Set out the administrative arrangements for the receipt of proposals.

2. Background

About the Responsible Gambling Trust (RGT):

- 2.1. RGT is the leading charity in the UK committed to minimising gambling-related harm. As an independent charity funded by donations from the gambling industry, RGT funds education, prevention and treatment services and commissions research to broaden public understanding of gambling-related harm. RGT's aim is to stop people getting into problems with their gambling, and ensure that those that do develop problems receive fast and effective treatment and support.
- 2.2. RGT develops its commissioning plans in collaboration with the Responsible Gambling Strategy Board (RGSB) and the Gambling Commission. These arrangements are underpinned by an 'assurance and governance framework'¹, agreed between the three parties and rely on openness, transparency and partnership to deliver results.

About the machine data and new regulations:

- 2.3. On 6 April 2015, new regulations² (the £50 regs) were introduced which restricted stakes above £50 on B2 machines to those players who are either registered for account-based play, or who load cash onto the machine via staff interaction (at the shop counter). Early data suggested that the initial impact was, among other things, to considerably reduce the number of plays in the £50.01-£100 range on B2 content.

In January 2016 DCMS published its own research on the impact of these regulations.³ Commenting on their financial impact DCMS noted: 'There has been a consequent fall in the two quarters since the regulation was implemented of about £6.2bn in the amount bet in stakes over £50 from 2014 to 2015 for Q2 and Q3. There has also been a £5.1bn increase in the total amount staked at the £40-£50 range for the two quarters since the regulation was implemented. This is an overall decrease of approximately 10.1% in the amount staked over £40 in 2015 Q2 and Q3 compared to 2014 in nominal terms.

But DCMS was unable to explain the player behaviour reasons for this. It commented this could be interpreted as either:

¹ http://www.responsiblegamblingtrust.org.uk/user_uploads/pdfs/statementofintent.pdf

² Gaming Machine (Circumstances of Use) (Amendment) regulations 2015

³ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/493714/Evaluation_of_Gaming_Machine_Circumstances_of_Use_Amendment_Regulations_2015.pdf

- i. Players circumventing authorisation of higher stakes to maintain their anonymity with no associated increase in control of their play or;
 - ii. Those who are no longer staking over £50 are doing so because the authorisation mechanisms have given them greater control over their staking behaviour. In this respect it could be said to be increasing player control in line with the policy's objective.
- 2.4. RGT is interested in research that could shed light on these interpretation, and on whether this reduction has been sustained and also in the behavioural response of players. For example, whether they played for lower stakes but for longer, or whether they switched expenditure to low-stake but faster-paced games also available on the machines (for example B3 content). RGT is also interested in the impact the £50 regs has had on player losses, particularly on instances of significant loss.

3. Analysis Requirements

- 3.1. The analysis requirements are to use sessional data on play on machines in bookmakers for at least two years prior to the regulatory change (the intervention) and as much post-intervention data as is available, to explore how behaviours have changed and what level of change is attributable to the regulatory intervention. This requires complex statistical modelling of the available data to disentangle pre-existing trends from changes in behaviour that can be attributed, with confidence, to the intervention. RGT understands exploration of this issue may be constrained by what data is retained by gaming machine suppliers.
- 3.2. The researchers would be expected to report on the impact of the introduction of the new regulations on parameters such as: (i) aggregate spending on the machines in bookmaker shops, (ii) length of sessions, (iii) size of player loss in a session, (iv) number of sessions and (v) where possible interactions between these outcomes. Particular attention should be paid to impacts on the frequency of sessions where the size of loss or the duration of play is much higher than the typical amount. Analysis must take into account the presence of trends in the data before the introduction of the new regulations and also the presence of seasonality in the data.

4. Data requirements

- 4.1 The data, made available by the machines industry, will consist of records of all sessions played between (at least) two years prior to the intervention, up until as recent as is available. RGT is aware that it is not possible to link a player session to a particular player.

Previous data provision:

- 4.2 The industry has provided data on this issue previously, particularly to inform the DCMS evaluation. In simplistic terms, RGT would like the raw data underpinning that presentation to be subjected to more rigorous statistical modelling, so that underlying trends in machine gambling can be taken into account, and we can have more confidence in attributing any observed change in behaviours to the intervention. RGT is especially keen to explore the impact on player losses, which was not included as an outcome in the DCMS evaluation.
- 4.3 Methodology, technical capability and/or skills required are as follows:
 - Large data set analysis

- Statistical synthesis.

5. Research objectives

- 5.1 RGT would like to build on the more descriptive statistics in the DCMS evaluation of the £50 regs, by subjecting the underlying raw machines data to more rigorous statistical modelling. This statistical modelling will, among other things, take into account confounding factors such as seasonality and underlying trends. Inevitably, this will have to involve the provision of longer 'pre' and 'post' data. RGT would also like this work to include analysis of session outcome data, which we understand was not requested by DCMS. This approach will allow us to be more confident in distinguishing between changes which reflect underlying trends, and those which represent a structural break based on the intervention (and whether it has been sustained).
- 5.2 RGT would like this approach to be applied to the overarching questions: (i) what has been the behavioural response of players to the £50 regs? (ii) how confident can we be in attributing these changes to the regs? and (iii) has this change been sustained?
- 5.3 We are particularly interested in player and sessional losses as, in the absence of individual data, they can be used as a proxy for harm – i.e., more losses would be suggestive of greater potential harm at a population level. It is also possible that other outcomes, like number of sessions with higher losses, could also be viewed as a proxy for harm.

RGT is keen to explore if reducing the maximum stake has reduced the level of spend (and also reduced losses), or if there is anything in the data that suggests people have responded in a different way to this intervention.

6. Programme Resources and Governance

- 6.1. We would expect that the specification for the commissioned project will be developed in an iterative way, involving liaison between researchers and the industry, in order to ensure the research objectives are met. Part of this project therefore involves the appointed research team liaising with the industry suppliers to understand what data is available and to specify their needs for analysis.
- 6.2. A Steering Group will be established, and will consist of representatives from RGSB and RGT. This group will meet regularly to monitor progress.

7. Programme Schedule

- 7.1. We would expect this project to be completed by early January 2017, with a report published within a month of completion, by 31 January 2017.
- 7.2. The following are indicative key deliverables and milestones:
 - Project inception – October 2016
 - Interim report – November 2016
 - Final report – January 2017.

8. Tendering Process and Timetable

- 8.1. The proposal should outline the organisation(s) previous experience in this area (or related areas), and provide a candid assessment of the potential strengths and weaknesses of the proposed approach. It should explain the specific benefits of using this approach over others.
- 8.2. Proposals should be explicit about the aims and objectives of the project, and should identify appropriate outputs and outcomes, and explain how these will be measured, monitored, and used in project review and development.
- 8.3. The proposal should detail what inputs the project will require to perform effectively.

Evaluation Process and Timeline

- 8.4. The Evaluation Panel will be made up of the RGT's Research Committee and other experts or advisers it wishes to appoint.
- 8.5. Tenders will be submitted by 17.00hrs GMT on Friday 30th September 2016.
- 8.6. On receipt of the proposals, an RGT-selected panel will perform an evaluation of proposals, with a view to selecting one or more organisations to perform the research.
- 8.7. Tenderers may be required to attend a meeting to discuss any aspect of proposals.

Questions

- 8.8. Tenderers may submit, by no later than 17.00hrs GMT on Thursday 15th September 2016 any queries that tenderers have relating to this ITT. Please submit such queries by email to commissioning@responsiblegamblingtrust.org.uk.
- 8.9. If you intend to submit a proposal, you may notify the RGT at this email address by Noon on 16th September 2016, and all those who have notified us will be provided with an anonymised summary of our answers to questions raised by other tenderers soon after this deadline.
- 8.10. Any queries should clearly reference any appropriate paragraph in the documentation. As far as is reasonably possible, RGT will respond to all reasonable requests for clarification of any aspect of this ITT and supporting documents, if made before the above deadline.
- 8.11. Proposals must be submitted by 17.00hrs GMT on Friday 30th September 2016 to the following e-mail address: commissioning@responsiblegamblingtrust.org.uk. RGT reserves the right to extend any deadline. Any extension granted will apply to all tenderers.
- 8.12. RGT reserves the right to reject any proposals:
 - 8.12.1. received after the deadline; and/or
 - 8.12.2. which do not comply with the conditions and requirements set out in this ITT.
- 8.13. All documents and all correspondence relating to the tender must be written in English. Tenderers should consider only the information contained within this ITT and supporting documents, or otherwise formally communicated to tenderers in writing when making an offer.
- 8.14. The submission of tender documentation should include:
 - An understanding of the project objectives and work requirements

- An outline of and justification for proposed research methods
- A summary of key activities to support specified outputs
- A timetable linked to key activities (e.g., GANTT chart), which clearly identifies stage 1 and stage 2 activities
- A summary of any propriety intellectual property which will be used to carry out the research
- Full disclosure of costs, including number of days required for each task, day rates for different members of the research team and anticipated expenses
- A brief risk assessment with proposed remedies relating to identified risks
- A CV or brief biography for each member of the team
- Contact details for two referees.

9. Intellectual Property

- 9.1. RGT is committed to delivering an independently commissioned research programme that focuses on gambling behaviour and the effectiveness of various treatment, prevention and education strategies in minimising gambling-related harm. This is intended to improve knowledge amongst all those involved in this issue, so RGT will wish to publish the results of the research it funds. Our requirements below in respect of intellectual property and confidentiality are intended to promote good project management, quality assurance and research integrity, and are not included in order to influence the independent conclusions of this research or its presentation.
- 9.2. The successful supplier will be required to assign to RGT all rights in and to any intellectual property created or arising from the work carried out by the supplier (or by the supplier's employees or agents).
- 9.3. RGT acknowledges that the supplier may own proprietary software, analytic tools and techniques which may not be assigned to RGT. Where such software, tools or techniques exist and will be used by the supplier in the proposed research, the supplier(s) should provide details in its tender of the methodology, to be used in the proposed research highlighting clearly where such software, tools or techniques will not be assigned to RGT and/or may not be shared with the public.
- 9.4. On completion of the initiatives, RGT plans on publishing a research paper which may include details of the methodology, techniques and tools used by the supplier in carrying out the initiatives.

10. Confidentiality and publicity

- 10.1. The outcome of the tender will be published in RGT Board meeting minutes and therefore will be made public.
- 10.2. The successful supplier will be required to enter into a legally binding agreement with RGT which will contain, inter alia, confidentiality provisions pursuant to which the supplier will be required to:

- 10.2.1. keep confidential all intellectual property and know-how, including confidential commercial and financial information, disclosed by RGT or any operator to the supplier during the course of the initiative;
 - 10.2.2. not disclose to third parties without the express prior written consent of RGT any information arising from the work performed as part of the initiative; and
 - 10.2.3. ensure that all proposed publications are submitted to RGT for approval prior to publication with the expectation that approval will be given unless there are reasonable grounds not to do so.
- 10.3. RGT may from time to time require that the successful supplier's employees and/or other person working on the initiative enter into a confidentiality agreement with RGT.

11. Budget

- 11.1. The total overall budget for the project is up to £40,000. RGT intends to use a restricted grant and so no VAT will be payable.

12. Eligibility

- 12.1. Applications will be accepted from all locations. Those teams located outside Great Britain must ensure they specify, in their proposal, how they will facilitate meetings with RGT, industry collaborators and other stakeholders and manage communication during the project. Cost proposals must be inclusive of travel expenses.

13. Conditions of Tender

- 13.1. RGT reserves the right to issue the response to any clarification request made by tenderers to all tenderers unless tenderers expressly require it to be kept confidential at the time the request is made.
- 13.2. The information contained in this ITT and the supporting documents and in any related written or oral communication is believed to be correct at the time of issue but RGT does not accept any liability for its accuracy, adequacy or completeness and no warranty is given as such. This exclusion does not extend to any fraudulent misrepresentation made by or on behalf of RGT or to any other liability which cannot be excluded at law.
- 13.3. By issuing this ITT, RGT is not bound in any way to enter into any contractual or other arrangement with tenderers or any other party.
- 13.4. It is intended that the remainder of this procurement will take place in accordance with the provisions of this ITT but RGT reserves the right to terminate, amend or vary the tendering process by notice to all tendering organisations in writing. RGT does not accept any liability for any losses caused to tenderers as a result of such termination, amendment or variation.
- 13.5. Tenderers will not be entitled to claim from RGT any cost or expenses that tenderers may incur in preparing a proposal irrespective of whether or not the tender is successful.
- 13.6. All information supplied to tenderers by RGT, either in writing or orally, must be treated in confidence and not disclosed to any third party (save to professional advisers) unless the information is already in the public domain.

13.7. There must be no publicity by tenderers regarding the project or the future award of any contract unless RGT has given express written consent to the relevant communication.

13.8. **Tenderers must declare any potential conflicts of interest within their proposal and state how these would be managed.** RGT reserves the right to refuse any application based on such conflicts.

14. Evaluation Criteria

14.1. The principal purpose of this evaluation is to determine the tender(s) which best meet the requirements of the RGT and deliver best value for money. The evaluation should be a rigorous examination and comparison of all submissions received on an equal and consistent basis without bias.

14.2. Tenders will be subject to an initial compliance check to confirm that:

- Tenders have been submitted on time, completed correctly and meet the requirements of the invitation to tender.
- Tenders are sufficiently complete to enable them to be evaluated in accordance with these criteria.
- The Tenderer has not contravened any of the terms and conditions of the tender process.

14.3. Tenders that do not meet these requirements may be rejected at this stage. Tenders that pass the initial screening assessment check will be distributed to Evaluation Panel members who are expected to subject them to a detailed evaluation in accordance with the criteria as set out in this document.

14.4. All tenders will be scored in accordance with the marking system set out below:

| Score Key Assessment | Score | Interpretation |
|----------------------|-------|--|
| Excellent | 5 | Excellent standard with no reservations about acceptability. |
| Good | 4 | Good standard with no reservations about acceptability. |
| Acceptable + | 3 | Acceptable standard with minor reservations about acceptability. |
| Acceptable - | 2 | Acceptable standard with reservations that require review. |
| Serious Reservations | 1 | Meets minimum requirements - but serious reservations. |
| Unacceptable | 0 | Fails to meet the minimum requirements. |

The following table will be used to guide the evaluation.

| Theme | Criteria | Score (0-5) | Comments |
|--------------|--|-------------|----------|
| The tenderer | The tenderer demonstrates sufficient depth and breadth of relevant experience | | |
| | The tenderer has a relevant corporate or personal network to support their work | | |
| | The tenderer will command credibility with key stakeholders | | |
| The project | The approach outlined in the tender will achieve the project goal | | |
| | The tender outlines sufficient internal project governance | | |
| | The tenderer adopts effective quality assurance procedures | | |
| | The approach to testing and evaluation is robust | | |
| | The timescale is within that outlined in the ITT | | |
| The cost | The costs are clearly explained and certain | | |
| | The benefits of an economy of scale are clear and reasonable if bidding for more than one initiative | | |
| | The overall tender cost represents value for money | | |
| | There are sufficient resources of suitable quality allocated to deliver the project | | |