

COMPETITION AND MARKETS AUTHORITY
Minutes of the Board
23 June 2015

Present:

David Currie (Chair)
Alex Chisholm (CEO)
Sarah Cardell (by video conference, items 4-9)
Andrea Coscelli
Carolyn Fairbairn
Alan Giles
Bill Kovacic (items 1-12 only)
Philip Lowe
Jill May (items 1-12 only)
Annetje Ottow
Ann Pope (by video conference, items 4-9)
Mike Walker
Erik Wilson
Roger Witcomb

CMA staff:

Nisha Arora
Michael Grenfell
Paul Latham
Lee Williams (minutes)

Executive Office:

Freya Guinness
Victoria Stott

1 Introduction

The Chair welcomed members to the meeting. Roger Witcomb was congratulated on receiving an OBE in the Queen's Birthday honours for his services to the competition and consumer regime.

Declaration of conflicts and recusals

Carolyn Fairbairn was conflicted on Banking and would leave the meeting for agenda item 9.

Gifts and hospitality

There were no declarations of gifts or hospitality offered or accepted in relation to Board member's roles with the CMA.

2 Plenary review of bilaterals and evening reception on 22 June

Board Members reviewed the meetings they had held with stakeholders to hear and discuss competition issues in Northern Ireland and the CMA's current and potential work in these areas. They would also be meeting the Irish Competition and Consumer Protection Commission to share experience and consider areas for possible future collaboration.

It was noted that the meetings had been positive with a good network of contacts established. A common concern raised across many of the meetings related to the

process of public procurement in Northern Ireland. Concerns around low levels of awareness of competition law were also highlighted by CBI.

3 Review and approval of draft private and public minutes of the May Board meeting

The Board approved each set of the minutes for 20 May.

4 Chief Executive's update

The Chief Executive updated the Board on key developments and highlights since the last meeting and provided a forward look for the next month, as well as an organisational health check:

5 Update on the Audit and Risk Assurance Committee

(Alan Giles)

The Chair of the Audit and Risk Assurance Committee gave an update on the meeting held on 17 June.

6 Update on the Remuneration Committee

(Carolyn Fairbairn)

The Chair of the Remuneration Committee updated the Board on the meeting held on 17 June.

7 Update on the Which? super-complaint

(Nisha Arora, George Lusty, Shervin Nahid. Video conference: Ian Anthony, Laurence Hall, Claire Hart, Erin Thomas)

The Board was updated on the super-complaint received from Which? in relation to the pricing and promotion of groceries. A near final version of the findings would be completed by 3 July, with the publication taking place on 16 July. The Board supported the proposed approach on the proviso that the message in the findings was clear. The Board requested to be kept updated.

8 Competition in passenger rail services in Great Britain

(Andrea Coscelli, Michael Grenfell, Robert Stewart. Video conference: Martin Cave, Joe Downie, James Lambert, Antonio Manganelli, Angela Nissyrrios)

The team introduced the draft of a 'discussion document' on competition in passenger rail services in Great Britain to be published for consultation. The Board was supportive of the project and noted that the case team were liaising closely with the DfT prior to the publication of the discussion document.

9 Advice to the Chancellor on the latest proposal for the divestment of Williams & Glyn by RBS¹

(Andrea Coscelli, Michael Grenfell, Robert Stewart)

The team introduced the paper, informing the Board on the proposed approach to responding to a request by the Chancellor of the Exchequer that the CMA should advise, in July, on the likely effect on competition of the proposed divestment by the major bank RBS of a number of its branches and businesses to form a new challenger bank Williams & Glyn (W&G).

10 Annual Report and Accounts 2014/15

(Erik Wilson, Paul Latham. Video conference: Steve Clark, Simon Jolley, Rachel Christopher)

The team introduced the paper, providing an update to the Board on how they had amended the draft to reflect its comments.

The Board noted that the report could make greater reference to the CMA's international role and why this is important. Notwithstanding this point, the Board commended the redraft and were content for it to be finalised with the Executive for publication and laying before Parliament.

11 CMA budget: comparison 2014/15 vs 2015/16

(Erik Wilson. Video conference: Steve Clarke)

The Head of Strategic Finance introduced a paper providing summary analysis comparing the 2015/16 budget with the 2014/15 budget and outturn.

The Board commended the comparison that the team had produced, noting it was clear to see how costs compared across cost categories between the 2015/16 budget and the prior year's budget and actual outturn.

12 Devolved Nations Strategy: Annual Progress Report

(Paul Latham, Sheila Scobie, Katie McCafferty, Marian Cree, Simon Harris)

The team introduced its paper on the first year of delivery of the Devolved Nations (DN) Strategy. The team noted that the message was a positive one and sought views on the priorities that they had identified for taking the DN strategy forward in 2015/16.

The Board agreed with the priorities for the year ahead, as set out in the paper. The Board also agreed that there was huge value in the Board meetings being held outside of London and said that these should continue.

On the issue of prioritisation of devolved nations in the CMA portfolio, it was agreed that the arrangements in place for considering devolved nations when developing and deciding on new projects and cases were sufficient when combined with continued close working with administrations and stakeholders in the devolved nations.

¹ Carolyn Fairbairn left the meeting for this item

13 Stakeholder strategy and update

(Paul Latham. Video conference: Simon Jolley, Rachel Christopher)

The team introduced their paper which looked at findings from qualitative research amongst the CMA's key stakeholder groups.

The Board approved the stakeholder strategy, agreeing the need to survey those stakeholders who had been directly involved in completed CMA projects and cases over the next year. In addition, it commented that we should consider if there was an effective way to work through stakeholders to raise awareness and gather intelligence at a regional level.

14 Consumer compliance strategy and initial programme of work

(Paul Latham. Video conference: Judith Frame)

The Head of Compliance, Stakeholder and Contacts introduced the paper, noting the importance of maximising the effectiveness of enforcement (that is, end-to-end enforcement). The Board approved the compliance strategy.

15 Competition Law Compliance Programme 2015-16

(Paul Latham. Video conference: Judith Frame)

The Head of Compliance, Stakeholder and Contacts introduced the paper, highlighting that the competition compliance challenge was significant, with research in November 2014 highlighting poor understanding of competition law across UK businesses. The team noted that, to date, good progress had been made but there was still a lot of work to do. They also noted that the Three Counties case demonstrated how effective communications strategies can ensure maximal impact across a sector.

The Board noted the potential role of accountants in ensuring awareness of competition law, given that in small businesses they can often be the only external professional support used on a regular basis.

16 Minutes of committees

There were no comments on the minutes of the committees circulated for the meeting.

17 Below the line/ Reading Room papers

No comments were made on the below the line papers.

18 Matters arising

The Board thanked those responsible for organising the visit and were in agreement that it had been a success.