

**COMPETITION AND MARKETS AUTHORITY
Minutes of the Board
20 May 2015**

Present:

David Currie (Chair)
Alex Chisholm (CEO)
Sarah Cardell (items 1-10 and 12-17)
Andrea Coscelli
Carolyn Fairbairn
Alan Giles
Bill Kovacic (by telephone, items 9-11)
Philip Lowe (left the meeting part way through item 13)
Jill May
Annetje Ottow
Ann Pope
Mike Walker
Erik Wilson
Roger Witcomb

CMA staff:

Paul Latham

Executive Office:

Sean Cornall
Freya Guinness
Rebecca Lyon (Minutes)
Victoria Stott (items 1-11)

Introduction

1 Introduction

The Chair welcomed members to the meeting

Declaration of conflicts and recusals

It was noted that Sarah Cardell was recused on the Investigation into agreements in the pharmaceutical sector and would leave the meeting for agenda item 8. Carolyn Fairbairn was conflicted on Banking and would leave the meeting for agenda item 10. Philip Lowe was recused on Eurotunnel and would leave the meeting for any discussion on this case under agenda item 3.

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 Review and approval of draft private and public minutes of the March Board meeting

The Board approved each set of minutes.

3 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.

4 Update on the Remuneration Committee

(Carolyn Fairbairn)

The Chair of the Remuneration Committee gave an update on the meeting held on 8 May 2015.

5 Update on the Which? super-complaint

(Ann Pope, Nisha Arora, George Lusty)

The Board was updated on the super-complaint received from Which? in relation to the pricing and promotion of groceries, noting that the CMA had a statutory duty to respond to super-complaints within 90 days.

The Board welcomed the update and agreed that the team's approach to the super-complaint was appropriate.

6 Online Reviews and Endorsements

(Ann Pope, Nisha Arora, Julie Bon, George Brenton, David Hart, David Perry, Jon Riley)

The team introduced the paper, updating the Board on the outcomes of the Call for Information, as well as its proposed follow-up compliance and consumer enforcement work.

The Board welcomed the update, agreeing that this was an important area for the CMA to be engaged in. It endorsed the team's approach, recognising that on the whole online reviews and endorsements were beneficial to consumers and that some market solutions to potential issues were emerging without intervention.

7 Commercial Use of Consumer Data

(Andrea Coscelli, Helen Fleming, Pete Hill, Adrian Leigh, Rachel Merelie, Noel Tarleton)

The team introduced the paper, updating the Board on the outcomes of the Call for Information, as well as complementary research reviewing, in more detail, the use of consumer data in three specific sectors.

The Board agreed that this was useful work for the CMA to have undertaken and highlighted the importance of the CMA helping to set the agenda.

8 Investigation into agreements in the pharmaceutical sector¹

(Team: Ann Pope, Richard Butterworth, Louis Christofides, Geoff Steadman, Kendra Thomson, Bethan Watts; CDG: Simon Polito)

¹ Sarah Cardell left the meeting for this item; Roland Green joined the meeting to represent OGC in her absence.

The Board was updated on the CA98 investigation into agreements in the pharmaceutical sector.

9 Rail franchise award programme and merger control

(Andrea Coscelli, Cleo Alliston, Jonathan Parker)

The team introduced the paper, providing an update on the interaction between the DfT's rail franchise bidding process and the CMA's review of rail franchise awards under the merger control provisions of the Enterprise Act 2002. The Board welcomed the update, noting the importance of merger control alongside the franchising programme to protect passengers from any consequent loss of competition, and the need to ensure that the franchising and merger control processes were interacting together effectively.

10 Briefing on the Banking market investigation²

(Joanna Benison, Daniel Gordon, Chris Jenkins, Tom Smith)

In fitting with the agreed protocol for the Board to be provided with updates on progress in Phase 2 markets investigations, so that it was aware of developments at key points, consistent with paragraph 49(2)(b) of Schedule 4 to ERRA 2013, the Board was updated on the Banking market investigation, ahead of the forthcoming publication of the updated Issues Statement (scheduled for 21 May). The focus of the briefing was on the progress of the investigation to date and the content of the updated Issues Statement. The Board noted the information provided.

11 Advocacy Strategy / Power to make written recommendations on proposals for legislation

(Mike Walker, Kate Blatchford, Kate Bridge, Mary Davies, John Kirkpatrick)

The team introduced the two distinct but complementary papers, providing: i) an update on advocacy work delivered and lessons learned in 2014/15, as well as plans for 2015/16; and ii) the proposed approach to the new CMA power to make written recommendations on proposals for legislation.

Advocacy Strategy

The Board agreed that the team had made good progress in the CMA's first year. It was supportive of the proposed priorities for 2015/16, noting that the proposed topics had been prioritised on the basis of the CMA being best placed to act, their being complementary to the CMA's wider portfolio, and their prospects of success/their likely impact.

Power to make written recommendations on proposals for legislation

The Board agreed with the proposal to use the power sparingly, focusing on areas of expertise and where it was important for the CMA to make its written recommendations on the public record.

² Carolyn Fairbairn left the meeting for this item.

Organisational Management and Thematic Reviews

12 Annual Report and Accounts 2014/15

(Erik Wilson, Steve Clark, Simon Jolley, Paul Latham, Kai Sinor)

The team introduced the paper, outlining progress in the development of the Annual Report and Accounts 2014/15, including design, production of year-end accounts and narrative chapters.

The Board discussed the draft narrative chapters and foreword, noting that the decision to report against the CMA's five strategic goals followed the approach adopted in the Annual Plan. The Board made a number of suggestions to enhance the report, as well as a number of more detailed comments related to its drafting and issues/case studies to include.

13 Budget Planning 2015/16

(Erik Wilson, Steve Clark, Carmel Flatley, Nick White)

The team introduced the paper, setting out the proposed CMA budget for 2015/16. Having discussed the CMA's approach to budget planning, the Board approved the budget for 2015/16.

14 Post-election briefing

(Erik Wilson, Mark Dungworth, Simon Jolley, Paul Latham)

The Board was updated on key developments at and following the UK General Election as they related to the CMA.

15 Minutes of Committees

The Board noted the minutes of the Executive Committee and Case and Policy Committee meetings held since its last meeting.

16 Q4 expenses: Board and Panel members

The Board approved the Q4 expenses for publication, subject to a couple of minor amendments.

17 Board Register of Interests and Related-party transactions

Board Register of Interests

A few updates to the Board Register of Interests were notified to the Executive Office; these updates would be reflected in the Register and a revised version published.

Related-party transactions

As part of the 2014/15 CMA Annual Accounts and in order to comply with the Financial Reporting Manual and other Treasury guidance, Board members were asked to verify that neither they nor their close family members had undertaken any material transactions with any CMA related-parties during 2014/15. The Executive Office agreed to obtain a list of CMA suppliers and customers for Board members to review, offline, for this purpose.

AOB

For information papers

The Board noted the papers provided to it for information.

Future meetings

- The June meeting would be held in Belfast – a draft programme for the visit was circulated for information.
- The 2016 meeting dates had been finalised.

Sean Cornall departure

The Board thanked Sean for his contribution to the Executive Office and the Board during its first year, wishing him well in the next stage of his career.