

**Council of the Competition Commission**

**Minutes of the 95th meeting held in Hearing Room 5  
Monday 31 October 2011**

Present:

Council Members

Roger Witcomb (Chairman)  
Laura Carstensen  
Grey Denham  
Dame Patricia Hodgson  
David Saunders  
Lesley Watkins

In attendance

Roland Green  
John Kirkpatrick  
Rachel Merelie  
Jonathan Sandler

Apologies

Rebecca Lawrence

**1. Minutes from the meeting on 12 September 2011 (Item 1)**

- 1.1. Grey Denham requested the final version of the Council Terms of Reference.
- 1.2. The minutes from the last meeting were approved.

**2. Chairman's Report (Item 2)**

- 2.1. The Chairman gave an oral update on recent events.
- 2.2. Since the last meeting, the process for recruiting Deputy Chairs had finished. BIS were set to announce on 2 November that Professor Martin Cave, Simon Polito and Professor Alasdair Smith would be joining the CC in January 2012. Their appointments would run until January 2015.

**3. Chief Executive's Report (Item 3)**

- 3.1. The Chief Executive presented his written report to the Council.
- 3.2. Since the last Council meeting, the Chief Executive had had a high level review of CC performance and budgets with Bernadette Kelly, Director General, Fair Markets at BIS. The CC will be requiring a greater budget in 2012/13 owing to (a) the anticipated increase in staff costs resulting from the higher than normal volume of work expected to be referred, the highest since the last peak during 2007/08, and (b) a fall in the income generated from renting out space in Victoria House.
- 3.3. The Chief Executive had also met Stuart McIntosh from Ofcom.

- 3.4. Since the last meeting, the market for the supply of audit services to large companies in the UK had been referred as well as two mergers. Further mergers, markets and regulatory appeals were expected to be referred during 2011/12.

#### **4. Review of Council risk register (Item 4)**

- 4.1. The updated Council Risk Register was presented for discussion. The changes were associated with increased budgetary pressures and the risk that the CC would not have sufficient resources to deal with its caseload. This was due to the rise in referrals and anticipated referrals during 2011/12.
- 4.2. The risks associated with institutional reform remained the highest. Council discussed both recruitment, churn of staff and internal communications associated with future announcements from Ministers on institutional reform.

#### **5. Institutional reform**

- 5.1. John Kirkpatrick gave Council an overview of the latest developments and thinking surrounding the consultation.
- 5.2. Following, the end of the consultation period on 'A competition regime for growth', BIS had been preparing its response. Publication was expected earlier in the autumn but the deadline had slipped to late November.
- 5.3. Since the CC submitted its response to the consultation, it had continued to provide support and evidence to BIS officials and Ministers as they developed their thinking on institutional reform in the light of responses to their consultation paper. The CC also continued to provide evidence for their impact assessment.

#### **6. Joint CC Council / OFT Board meetings**

- 6.1. The last joint meeting took place on 5 October 2011 with the next meeting scheduled for January 2012. It was agreed that the current round of meetings were constructive and should continue.

#### **7. Audit Committee Update**

- 7.1. Lesley Watkins provided an oral update from the Audit Committee meeting in October.
- 7.2. Two internal audit reports had been completed since the last meeting on Learning and Development and Personal Staff Data. It was reported that control was sound and management were implementing the recommendations. Two further audits were scheduled on Conflicts of Interest and Security Policy Framework Assurance in November and January respectively. The NAO confirmed that they will reduce the audit fee. The Treasury has confirmed that an Annual Governance Statement would replace the Statement for Internal Control (SIC) in the Annual Accounts from 2011/12
- 7.3. The Audit Committee meeting minutes were noted by Council.

#### **8. AOB**

- 8.1. The International update for October would be circulated to Council following the meeting.