

Joint VMD, VPC and Pharmaceutical Industry Information Event 2019



The VMD will be holding its annual joint open meeting with the Veterinary Product Committee on Wednesday 25th September 2019. This year, it will be followed by an information event for the pharmaceutical industry.

As many of the topics discussed at each of these meetings overlap the interest of our stakeholders we have combined these events for efficiency and your convenience.

We are currently developing the schedule for the day and we are inviting your suggestions on areas you would like to see covered.

Admission is free but by ticket only.

Timings will be confirmed once we have the final agenda, but it is expected that the open event will start at 10am and finish with lunch followed by the closed industry session. If you would like to attend or suggest a topic, please contact Diane Taylor d.taylor@vmd.defra.gsi.gov.uk by Wednesday 29th August 2019.

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Last updated 15 July 2019 [+ show all updates](#)

1. 15 July 2019 Now a joint meeting with the VPC.
2. 3 June 2019 First published.

News story: Digital technology for adult social care: apply for funding

Adult social care plays a major part in keeping older people and vulnerable adults living in the community and out of hospital for longer. However,

[demand is increasing](#) and resources are under pressure. In order to ensure help reaches those that need it the most, we need to find ways to target support.

This competition aims to use technology to make adult social care provision more effective and efficient, and reduce demand on social care services.

This is a Small Business Research Initiative (SBRI) competition, with funding provided by the GovTech Catalyst for [Torfaen County borough council](#).

Prioritising resources for better care

This competition is looking for proposals for technology that can track data in real-time and use it to inform how resources are deployed and prioritised to the best effect. This could include:

- using technology to improve the point of entry into adult social care
- creating more dynamic and flexible care systems that respond to changing needs
- making better use of evidence to inform commissioning both now and in the future

A 2 phase programme

The programme will be delivered over 2 phases. This is phase 1 and only successful applicants from phase 1 will be able to apply to take part in phase 2.

Phase 1: technical feasibility

In the first phase, research and development contracts will be awarded to demonstrate technical feasibility of the proposed solution.

- a total of £250,000 is allocated to phase 1 of the competition
- projects should last up to 3 months
- total individual project costs can be up to £50,000, including VAT
- we expect to fund up to 5 projects

Phase 2: prototype development and evaluation

In the second phase, 2 research and development contracts will be awarded to successful phase 1 applicants, in order to prototype and field test proposals. Up to £500,000, including VAT, will be allocated to each contract.

Competition information

- phase 1 of the competition opens on 10 June 2019
- the deadline for registration is at midday on 17 July 2019
- organisations of any size may apply
- a [briefing event](#) will be held in Cwmbran on 19 June 2019

Press release: T Levels: The NexT Level branding

With the introduction of T Levels just around the corner, the new branding has now been unveiled to stakeholders and providers ahead of the official launch of T Levels in 2020.

The launch will be the first step towards raising awareness of T Levels in schools and colleges ahead of the 2020-2021 academic year.

The 'NexT Level' brand logo, which has been designed in consultation with employer panel members, FE providers, young people and parents, will enable 2020 providers to promote the benefits of T Levels to young people in the process of deciding their route into post-16 education.

Providers and stakeholders have now received a brand toolkit, including brand guidelines, leaflets and social assets to help to recruit the first wave of T Level students and encourage employers to offer industry placements.

The brand creative revealed today is a step up for the T Levels campaign which forms just one part of the Government's ongoing work to reform technical education in the UK.

Minister for Skills and Apprenticeships, Anne Milton said:

T Levels will be the biggest change to technical education in a generation. T Levels will help young people to fast-track their career and help them get to the next level giving them a head start in the world of work.

Right from the start we have worked with employers, young people, their parents and education providers. I want more and more people to understand that T Levels are a high quality, advanced and desirable qualification with employers at the heart of their design.

I can't wait for more people to learn about what T Levels have to offer and how it they can open up a world of exciting options.

T Levels are new qualifications which have been developed collaboratively with UK businesses to better prepare students for the world of work and higher-level study. The two-year course will combine classroom theory with

practical learning and an industry placement and will be available to students who have completed their GCSEs.

The first three T Levels in Digital, Construction and Education & Childcare will be taught from September 2020 and, from 2021, a further seven will be taught, including three in Health and Science. By 2022, the Government will introduce the final wave of T Levels – 15 in total – in sectors such as legal, finance and accounting, engineering and manufacturing, and creative and design.

A unique part of T Levels will be the completion of a high-quality industry placement – of at least 315 hours, or approximately 45 days – in which students will build the knowledge and skills they need in a workplace environment.

Just last month, the Government announced a new package of support for employers to help them offer vital placements in readiness for the T Level rollout in September 2020.

Speech: Competition in the digital age: reflecting on digital merger investigations

Like many agencies around the world, the CMA has had a growing focus on digital commerce, reflecting changes in the economy and consumer behaviour. Much of our recent casework has had a strong digital flavour, and our policy and advocacy work is increasing in this area too.

But the effectiveness of merger control in digital markets has been the subject of particular discussion and attention recently and I want to focus on that today. Over the last decade, Amazon, Apple, Facebook, Google, and Microsoft combined – the so called GAFAM quintet – have made over 400 acquisitions globally, with more than half of these – close to 250 – just in the most recent five years. Some of these acquisitions have had exceptionally high valuations.

However only a handful of these mergers have been scrutinised by competition authorities, and none have been blocked. As an economist, these statistics naturally lead me to question whether we as competition authorities have got the balance right. Is it right that across all 400 of these acquisitions, there has not been a single prohibition? On this basis, is it possible to argue that we've correctly balanced the risks of under- and over-enforcement?

Global attention

These are the questions that many Governments and competition experts across the world are trying to grapple with. And if there has been underenforcement – what is behind this? Is it a reflection of limitations or gaps in the toolbox of competition authorities or should we simply reassess how we use the tools we have?

In the UK, the Digital Competition Expert Panel, chaired by Professor Jason Furman, thought there had been underenforcement and considered whether changes to the competition framework are needed to face the economic challenges posed by digital markets. It [made a number of recommendations](#), including to strengthen the mergers regime. In the EU, the report from the special advisers to Commissioner Vestager, which considered the future challenges of digitisation for competition policy, also suggested changes to the approach for substantive assessment of mergers. And in the US, the Committee for the Study of Digital Platforms, chaired by Professor Fiona Scott Morton recently recommended more scrutiny of mergers involving so-called ‘bottleneck firms.’

The work of these groups is an important contribution to our thinking (and our current approach) in this area.

The CMA’s review

At the CMA we have also been looking hard at these questions. Last year we commissioned an independent study aimed at evaluating past merger decisions in the digital sector taken by the CMA’s predecessor organisations, the Office of Fair Trading and the Competition Commission, including in cases such as Facebook/Instagram and Google/Waze. [We have published that study today](#).

The objective of the study was to review the theories of harm typically pursued by competition authorities in relation to these types of mergers and how these have been evaluated – as well as considering whether the decision the authority came to was reasonable, based on the evidence available at the time, and, given the market evolution following the merger, whether with the benefit of hindsight it has led to a detrimental outcome.

I’d like to take this opportunity to set out some of my key reflections, based not only on the outcome of this review but also on our experience in recent cases.

To begin with, I don’t think the evidence suggests, at least in the UK, that there is some fatal flaw or gap in the overarching regime. The CMA’s merger control tools are and remain, in the main, fit-for-purpose.

In relation to jurisdiction, we have, in the UK a threshold involving two alternative tests. If the turnover-based test is not met, we can also consider the parties’ combined share of supply, and exercise jurisdiction if this exceeds 25 per cent and any kind of increment in share is brought about

by the deal. This is a flexible test which, in practice, has meant that the CMA has consistently been able to exert jurisdiction over transactions in digital markets, for example where the turnover of the target was limited, but the value of the deal was high.

In relation to the substantive assessment, application of the current regime undoubtedly raises some challenges. Post-merger counterfactuals can be difficult to assess in new and rapidly-evolving markets. Similarly, some traditional forms of substantive analysis, focused on price effects, may fail to capture other metrics of competition effectively, including quality, privacy and innovation.

Nevertheless, my reflection, based on my initial consideration of some of the potential solutions tabled to date, is that there are no 'neat fixes' to these challenges. And there is a risk that reinventing our entire approach leads to more harm than good. But that doesn't mean that there shouldn't be some evolution in our approach. Today's study of past digital mergers highlights that there are incremental steps competition authorities can take to improve our ability to assess these mergers.

The first area is in how we define the counterfactual – what we think would have happened, absent the merger occurring. The review we commissioned found the average age of acquisition targets is four years old or younger in nearly 60 per cent of cases. The median age of Google's targets is 4 years, and Facebook's 2.5 years. There are considerable difficulties in understanding the implications for competition of the acquisition of such young firms, given it is very difficult to predict how they could develop.

The review suggested that the time-frame of two years typically used by us to assess the counterfactual may be somewhat limiting and should be extended, as even in the fast-moving digital world, becoming successful is likely to take somewhat longer. The review also suggested that, if the target is also of interest to entities other than the acquirer, an alternative transaction could become the relevant counterfactual.

More broadly, the review also put forward that competition authorities should be willing to accept more uncertainty in their assessment of the counterfactual. Any assessment of future developments, no matter how well informed, is likely to contain a significant degree of uncertainty. We should therefore be cautious in concluding that the absence of the same kind of compelling evidence we might have about near-term market developments should necessarily provide grounds for clearance.

The second step we can take is to enrich the information set we rely on when dealing with mergers in digital markets.

The review suggested the use of dawn raids to uncover valuable evidence such as the future plans of the target and whether the acquirer perceived the target as a threat. This is not entirely unprecedented, with the European Commission having carried out dawn raids at the premises of merging parties in two cases to date, albeit predominantly where gun-jumping was suspected. While there are questions around whether dawn raids of this type should ever

be necessary, this does underline the ever-increasing importance of the merging businesses' internal documents to our assessments, and the importance of taking strong enforcement action where merging parties provide incomplete or misleading information in response to our requests.

The Lear report also suggested placing more focus on the transaction value to better understand the relevance of the transaction – if the price paid by the acquirer seems hard to explain based on current or likely future earnings, we should scrutinise the rationale for the acquisition with particular rigour and consider, in particular, whether the purchase price could reflect the benefit of killing off emerging competition.

The third step highlighted by the review is to gain a better baseline understanding of key markets in the digital sector, and in particular the likely entry strategies. This is key to understanding when acquisitions may reflect the result of a 'succumb or be quashed' threat, offer the most promising path to the commercial development and use of the target's technology, or an essential exit strategy for investors. This will require competition authorities to understand better the investors' perspective on these deals.

I mentioned earlier my view that CMA's merger control tools are and remain, in the main, fit-for-purpose. Now I don't say this blithely. It is something I, and many of my colleagues at the CMA, have spent a great deal of time considering. And I am not so naïve as to think this will necessarily remain the case. Clearly, we will need to continue to monitor this area closely and consider whether we have all the tools that we need to protect consumers effectively.

In particular, I think it will be important to consider whether there might need to be some form of closer scrutiny for acquisitions by particularly powerful companies. In concentrated markets with very significant barriers to entry and expansion, where competition largely exists 'for' rather than 'within' the market, the elimination of even a very small or nascent competitor could remove an important source of competition. In such markets, it could be that any entrant with a credible strategy and route to funding is worth protecting.

Putting this into practice

At the CMA we have already begun applying some of these steps in our casework. In particular, in several recent cases we have considered the need to use a dynamic counterfactual, considering not only what would have happened absent the merger occurring based on the current state of competition, but also based on how the market is likely to evolve.

We recently conducted an in-depth investigation of the acquisition by PayPal of the FinTech company iZettle. The payment services industry in which these parties are active is a fast-moving and dynamic market, and iZettle was a relatively new and innovative player. We therefore assessed the merger against a dynamic counterfactual considering the likely future situation of PayPal and iZettle absent the merger occurring.

PayPal submitted that the rationale for the merger was to combine two complementary product offerings, in particular PayPal's online payment service solutions with iZettle's in-store/offline product offerings to create a multi-channel solution. In considering the counterfactual, we concluded that, absent the merger, PayPal would likely have been a stronger competitor than was currently the case, having a strong incentive to broaden its offline offering and a range of options at its disposal to do so. We also found, however, that iZettle would likely have focused on developing its existing offline services, rather than developing the online presence it would have needed to become a strong multi-channel competitor.

Having conducted a detailed investigation, [we have provisionally found that the merger did not raise competition concerns](#). We provisionally concluded that, notwithstanding a more strongly competing PayPal in the counterfactual, sufficient competitive constraints will remain on the merged company from other developing providers of offline payment services, such as SumUp and Square, as well as traditional providers of payment services such as Barclaycard and Worldpay. The merger was also unlikely to lead to the elimination of a nascent competitor in the multi-channel space, as iZettle was, taking into account the merger counterfactual, ultimately unlikely to significantly challenge Paypal here.

In our recent in-depth investigation of the intended acquisition of ClearScore, a FinTech firm, by Experian, we used a range of evidence to assess the likely competitive impact of the merger. Both parties provide free credit scores to users and match users to credit products via their digital platforms. Our approach was significantly influenced by the dynamic nature of the market.

As part of our assessment we reviewed internal documents, examined the expansion plans of the merger parties and their rivals, sent questionnaires and spoke to third parties, assessed evidence on user behaviour, and considered evidence as to the likely impact of technological and regulatory developments. Our merger review in this case covered a number of theories of harm including whether, after the merger, the quality of the parties' free products would be worse compared to what they would be if the merger didn't take place. This could be due to less investment in new product features and functionalities, a slower pace of development, or less effort to improve customers' journeys and experiences. After we provisionally prohibited the merger, [the parties decided to abandon the transaction](#).

The merger demonstrates the CMA's ability to assess a non-price theory of harm in a dynamic, digital market using current laws and its usual substantive assessment frameworks.

Evolution not revolution

The key point I would like to make today it is that we should be thinking evolution, not revolution, of merger assessment tools to deal effectively with mergers in the digital economy.

With this in mind, alongside the publication of the study today, we are also

launching a call for views, with the intention of informing an update of our Merger Assessment Guidelines. These Guidelines have not been updated since 2010 and there has been substantial evolution and growth in digital markets since this time. The call for views seeks input on specific areas which could be updated to reflect the lessons of the most recent economic literature, as well as to provide greater clarity about how the CMA will deal with particular issues arising in digital markets.

We are keen to engage with fellow competition authorities as well as those in the wider competition and indeed financial, investment and venture capitalist communities, as part of this process.

Focus on the digital economy

As I said earlier, this work on mergers is part of the CMA's broader portfolio of work on digital commerce – which is a key theme for the CMA, as set out in our recent [annual plan](#). Alongside mergers, we are also focusing our attention on developing our thinking on the [need for reform in other areas](#), for example in relation to our competition and consumer tools. Many of the reforms we believe are needed here are unique to the UK regime, however others, such as strengthening our information gathering powers are likely to be of interest more broadly.

On the subject of reform, we are also working to develop our views on the design of ex-ante regulation of digital platforms, building on the various ideas put forward in some of the reports I mentioned earlier, most notably Professor Jason Furman and the UK Digital Competition Expert Panel. We are keen to ensure that any regulation is informed by evidence so that it is well-designed and targets the specific problems identified, as well as works in tandem with existing competition and consumer tools.

However, the majority of our focus continues to remain on taking effective action on substantive concerns in digital markets using our existing powers and tools. Over the past few years the CMA has undertaken significant consumer enforcement work focused on digital markets. This includes: our investigation into secondary ticketing websites to ensure that better information is given to consumers about tickets being resold on their platform – we continue to vigorously pursue this with viagogo; our action against several of the biggest online hotel booking sites about practices that might mislead consumers and prevent them from getting a fair deal, which led to six of the biggest operators giving formal commitments to change their business practices; and our investigation into social media stars not declaring their commercial relationships resulting in 16 influential celebrities, with millions of followers between them, committing to say clearly if they have been paid or received any gifts or loans of products which they endorse.

And to support our ongoing work, we are also investing in building-up our own internal expertise. Our Data, Technology and Analytics unit is now up and running. This unit of around 15 people, comprised mainly of data scientists, is key to strengthening the CMA's ability to understand how firms are using

data, what their machine learning and artificial intelligence algorithms are doing, the consequences of this and what action we need to take.

We also plan to engage more closely over the year ahead with digital businesses, investors and venture capitals to develop our understanding of key business models, strategies and practices in the digital economy, and what this means for competition and consumer policy.

Lastly, across all areas of the CMA's work, co-ordination and collaboration internationally is essential. The digital economy is global, so we will continue to work with our international counterparts through forums such as today, to share best practice and develop a common approach to issues in relation to digital markets.

Thank you for your time this morning and I look forward to continuing this debate and discussion through the course of the day.

Press release: Work begins on new homes for Northampton's South West District

- Work begins on 212 new homes at Upton Park to meet the needs of local people
- The site forms part of a wider development of 860 homes
- A further 1,400 homes are proposed at Upton Lodge

Built by Morris Homes, the scheme will form part of a wider 860 home development on land owned by the Government's housing agency, Homes England, who have also invested £77 million in infrastructure for the district, including roads and parkland.

Morris will deliver a mix of apartments and two, three and four bedroom houses at the site. Alongside almost 1,000 homes which have already been built at Upton, Upton Park and Upton Lodge will collectively deliver over 2,200 new homes for people in Northampton.

Stephen Kinsella, Executive Director for Land at Homes England said: "The start on site at Upton Park marks the beginning of a new neighbourhood for Northampton.

"The development will offer a range of homes to meet the needs of local people, building on the success of the new community at Upton."

Homes England is currently seeking planning permission from Northampton Borough Council for its Upton Lodge site, which it is anticipated will

deliver a further 1,400 homes for the town.

Martin O'Toole, Regional Managing Director (Eastern) from Morris Homes said: "We are delighted to be working with Homes England on this new phase of development in the village of Upton. The Upton Park development will be a welcome addition to Northampton, and we are looking forward to it opening during summer 2019."

Cllr James Hill, Northampton Borough Council Cabinet member for planning, added: "It is extremely important that we support the delivery of new – particularly affordable – housing which is in high demand in Northampton.

"These sites have been identified in our Local Plan as being appropriate for housing and we will continue to work with developers to ensure high-quality schemes are brought forward in a timely fashion."

It's anticipated the first phase of homes at Upton Park will be available by spring 2020.

For more information contact Sarah Foulkes, Communications Officer at Homes England. Tel: 0161 200 6130/ 07967 782 162 or email sarah.foulkes@homesengland.gov.uk