

Concrete companies: construction cartel

In 2019, 3 concrete companies were found to have entered into illegal arrangements under which they fixed or coordinated their prices, shared out the market by allocating customers, and exchanged competitively sensitive information.

The businesses manufactured pre-cast concrete drainage products which are essential for roads and railways and used in large infrastructure projects. The customers who typically need to buy these types of products include local and national government bodies, as well as utilities, engineering and construction firms.

The companies were fined £36 million and 2 directors have been disqualified for 6.5 and 7.5 years with additional disqualification cases pending in court.

What happened

The cartel arrangement began in 2006 after a period of fierce competition and low prices in response to tough market conditions. The rivals met to end this situation and create what one of them described as a 'new era of trust'.

Secret meetings

Regular, secret cartel meetings took place (4 of which were secretly recorded by the CMA), held away from business premises, in hotel meeting rooms. One member of the cartel kept track of the discussions in a 'Boys Spoils' file; others referred to the arrangement as the 'Pigeon Club' – clearly recognising that that this was not ordinary business practice.

One of the individuals at a cartel meeting said:

But guys, look at our, look at all our financial numbers, we've all had a good year. Everybody has had a good year financially and profit-wise. And that's come about by all sitting here and [being] patient.

(Secretly recorded evidence from cartel meeting, case decision para 4.55)

Agreeing price lists

The businesses discussed and agreed their spot market price lists, where prices are agreed on a deal by deal basis. These were then used by sales teams as a basis for negotiating with customers – in effect, the agreed list prices acted as 'targets.'

Market sharing

The businesses also agreed that they would not compete for each other's customers on certain fixed price contracts ('term deals') – a so-called 'no poaching' arrangement.

For example, one sales person said he was told:

something to the effect of "we don't touch each other's term deals". I took this to mean that [company X] didn't target the term deals of other manufacturers and vice versa. There was an unwritten rule.

Illegal information exchange

The rivals also regularly shared competitively sensitive information so they could monitor each other's actions: this meant that they all knew where they stood with one another (including in terms of market share) and could plan their approach accordingly.

Falsely claiming compliance

In this case, individuals within the businesses had signed compliance documents and/or declarations saying that they would not break competition law. But, by itself, the signing of such documents does not provide a safeguard. Such documents must be understood and followed.

How this broke the law

Discussing and agreeing price lists with competitors, market sharing and the sharing of competitively sensitive information are all illegal anti-competitive practices.

The businesses did not operate independently of each other. Through regular contact, they cooperated in relation to price and the allocation of customers. Their aim was to increase prices, and maintain their market position without having to compete fairly.

Lessons from this case

- the construction sector remains in the CMA's sights
- tough market conditions are no excuse for breaking the law
- never exchange competitively sensitive information
- never agree with rivals not to compete for customers or business

- the CMA has sophisticated means of capturing evidence and despite the businesses meeting in various different locations, we were watching
- it is not enough to claim you are complying with the law – you need to actively comply

Benefits of co-operating with an investigation

If a company is the first to report being part of a cartel and fully co-operates with an investigation, it can benefit from immunity from fines and its co-operating directors can avoid director disqualification.

Even after an investigation has started, it can still benefit from reduced fines through our [leniency programme](#). In this case, one of the businesses did this and it benefited from a reduction in its fine.

Individuals may also be eligible for immunity from prosecution and director disqualification if they come forward independently and cooperate with the investigation.

If you think you may have broken the law, we always recommend that you seek independent legal advice.

If you have information on other companies in your industry that may have been involved in an anti-competitive arrangement, report it to us; [you may qualify for a reward](#).

For more information, including how best to report, visit our [‘Cheating or Competing?’ campaign page](#)

One of the companies is appealing the CMA’s decision. This appeal goes to both the findings in the decision and the amount of the penalty. The CMA is defending the case. The other companies involved admitted breaking the law and accepted the penalties that were imposed on them.

Government confirms multi-billion pound spending increase for councils

- Local Government Secretary Robert Jenrick confirms £49.2 billion package of funding for local councils
- [Settlement](#) is the biggest real-terms increase in spending power in a decade and includes an extra £1.5 billion for social care
- Most residents are expected to see the lowest increase in council tax bills since 2016

The biggest increase in councils' spending power for a decade was confirmed yesterday (24 February 2020) by the Local Government Secretary, Rt Hon Robert Jenrick MP.

Following a vote in the House of Commons, the government confirmed councils in England will have access to a share of £49.2 billion in 2020 to 2021, an increase of £2.9 billion or 4.4% in real-terms.

The settlement will give councils access to a £1.5 billion boost for social care funding and ensures, on average, residents can expect to see the lowest increase in council tax bills since 2016.

The final settlement also incentivises local economic growth, with £40 million to be redistributed to councils following increased growth in business rates income.

Local Government Secretary Rt Hon Robert Jenrick MP said:

This government is committed to levelling up every part of the country, investing in every region and giving communities control over making the decisions which are right for them.

That's why we're confirming the biggest increase in councils' spending power for a decade across England, while protecting residents from excessive rises in council tax.

Provisional plans for the local government finance settlement for 2020 to 2021 were published in December, followed by a period of consultation with the sector.

This included the consideration of over 200 representations across technical and provisional consultations from a range of organisations, and ministers met with representative groups including local councils, MPs and the Local Government Association.

What the settlement includes

More funding for social care

The settlement makes £1.5 billion of new funding available for adult and children's social care, supporting local authorities to meet rising demand, fund more care home places and social workers and protect the most vulnerable in society.

The package includes £1 billion of new grant funding, a continuation of all existing social care grants, and the ability for authorities to raise up to £500 million more for adult social care, where needed.

In total, local authorities will have access to almost £6 billion of dedicated funding across adults and children's social care in 2020 to 2021.

Preventing excessive council tax rises

The government is committed to keeping bills low and giving local residents the final say over council tax increases.

Under the referendum principles, average council tax increases for 2020 to 2021 are expected to be the lowest since 2016 to 2017. A referendum will be required if local authorities propose raising the tax above a core threshold of 2%, with extra flexibility for some authority types including shire district councils, Mayoral Combined Authorities and town and parish councils.

Protection for core funding

Core funding will be protected in 2020 to 2021, conserving the vital, core services which residents rely on. The final settlement confirms settlement core funding will be increased in line with inflation, and any Negative Revenue Support Grant is directly eliminated.

Business rates levy surplus

Local authorities play a key role in supporting economic growth.

As a result of increased growth in business rates income, the government will redistribute £40 million of the levy surplus to all local authorities on the basis of assessed need.

Rewards for building new homes

The government has committed £907 million to continue the New Homes Bonus scheme in 2020 to 2021. The scheme financially rewards local authorities for the number of new homes they build locally, incentivising housing growth and creating homes for local residents.

Support for rural areas

The government is committed to ensuring the unique needs of rural areas are met, and so will maintain last year's Rural Services Delivery Grant at £81 million, matching the highest rural grant paid to date.

Further information

This relates to England only.

On 4 September 2019, the government set out the results of the 2019 Spending Round, providing access to a rise in local authority spending power from £46.2 billion to £49.2 billion in 2020 to 2021, an increase of £2.9 billion or an estimated 4.4% real-terms increase.

On 20 December 2019, the government published the provisional Local Government Finance Settlement through a [written ministerial statement](#).

The additional £1.5 billion for adult and children's social care is broken

down as: £1 billion of funding for child and adult social care and a further £500 million available through the adult social care precept. The £1 billion grant includes £150 million to equalise the impact of the precept.

[Forensic Science Regulator highlights threats to criminal justice](#)

The government must act as a priority to protect the future of forensic science in England and Wales, the Forensic Science Regulator (FSR) has warned today (Tuesday 25 February).

While recognising that improvements have been made, Dr Gillian Tully has called for gaps in quality to be resolved to prevent unreliable evidence being used in court.

The regulator's [annual report](#) also found that a digital skills shortage risks the sector falling behind criminals who are taking advantage of developing technology.

Dr Tully has reiterated calls for statutory enforcement powers to protect the criminal justice system. The regulator currently has no legal powers to enforce compliance with the required standards.

A major cyber attack affecting Eurofins Forensic Services, one of the largest commercial providers in the country, highlighted the fragility of the sector and exacerbated existing shortfalls in toxicology capacity.

The Eurofins attack was the most significant of 105 referrals made to the FSR between November 2018 and November 2019. But, despite increased demand, the regulator received reduced government funding in 2018/19.

Forensic Science Regulator, Dr Gillian Tully, said:

The reality is that forensic science has been operating on a knife-edge for years, with particular skills shortages in digital forensics and toxicology.

It is important that our ability to use science effectively in the criminal justice system does not lag behind technologically-enabled criminals.

Quality is not optional. Standards need to be implemented across the board if the sector is to learn from the past and improve for the future.

The annual report provides an update on developments between November 2018 and November 2019, and sets priorities for the year to come. Issues include:

- a lack of accreditation for CCTV comparison and a danger of experts straying outside their area of expertise
- over 1,100 DNA profiles stored on the National DNA Database (NDNAD) have been confirmed as contaminated by police officers and staff, and are being removed
- constraints on legal aid fees and a lack of enforcement powers have affected the ability of defendants to access quality-assured forensic science expertise

In July 2019, the Forensic Science Regulator launched the Anonymous Reporting Line. Run by Crimestoppers, it is available to the general public and forensic science professionals to report quality concerns.

[Eustice unveils plans for future greener farming](#)

Environment Secretary George Eustice has today (Tuesday 25 February) called on farmers and land managers to share their views on the government's flagship green farming scheme outside the EU.

Speaking ahead of the National Farmers' Union's (NFU) annual conference tomorrow (Wednesday 26 February), the Environment Secretary has announced that farmers will be at the forefront of reversing environmental declines and tackling climate change as they reshape the future of farming in the 21st century.

The government will today publish new details on its future Environmental Land Management Scheme (ELM), which will see farmers paid for work that enhances the environment, such as tree or hedge planting, river management to mitigate flooding, or creating or restoring habitats for wildlife.

Moving away from a system that pays farmers for the total amount of land farmed, the scheme will instead pay for 'public goods' that benefit society, such as clean air and water.

In his speech at the NFU Conference tomorrow, Environment Secretary George Eustice is expected to say:

We can all agree that we want British farming to be sustainable in the truest sense of the word, an industry which is profitable, competitive, and productive while feeding the nation and taking care of our landscapes too.

This week we've published more detail on our plans for the future and specifically on Environment Land Management, outlining how we hope to work with our farmers, and what to expect.

Now more than ever, efforts for the environment are absolutely critical, and no group has more power to reverse environmental decline than our farmers.

The new proposals unveiled today will include three 'tiers' of entry to the scheme, enabling anyone from any farm or land type to participate at the right level.

Tier one would encourage farmers to adopt environmentally sustainable farming and forestry practices, while farmers, foresters and other land managers in tier two would focus on delivering locally-targeted environmental outcomes. The third tier would pay for larger-scale, transformational projects – such as restoring peatland.

Farmers and land managers will have 10 weeks to have their say on the details of the new scheme, with government capturing their knowledge and experience to ensure it does not repeat the mistakes of the EU's burdensome Common Agricultural Policy (CAP). This will be supported with a number of regional events across the country for knowledge sharing between farmers, land managers and foresters and Defra officials designing the scheme.

The government has today also published a future farming policy update, as the Agriculture Bill goes through the Committee Stage in the House of Commons. This sets out how future policies will be designed to ensure increased productivity goes hand in hand with environmental initiatives, with further detail on issues including:

- Productivity: From 2021, new government grants will help farmers to invest in equipment and technology which will help them to increase their productivity and deliver environmental benefits.
- Research & Development: From 2022, Defra will support research and development projects to help our farming industry benefit from innovation, enabling farmers to produce food more efficiently and sustainably with lower emissions.
- Animal Health and Welfare: A new deal will be struck between government and farmers to promote the production of healthier, higher welfare animals, with publicly-funded schemes available for farmers to deliver animal health and welfare enhancements which go beyond regulatory requirements and which are valued by the public but not sufficiently provided for by the market.

The Secretary of State's speech at the NFU conference will be live-streamed from 8am. Details on how to stream the speech can be found [here](#).

The Environmental Land Management Scheme discussion document will be open for views on [Citizen Space](#), and the future farming policy update is available to read in full on GOV.UK.

Progress on accessibility as campaign launches to improve disabled passengers' journeys

- campaign launches to improve journeys for disabled people when using public transport
- operators urged to sign up to the Inclusive Transport Leaders Scheme to encourage, celebrate and promote best practice
- latest in a series of improvements by the Transport Secretary to accelerate the pace of change for a more accessible transport network

Transport Secretary Grant Shapps is today (25 February 2020) accelerating progress to make the UK a world leader for accessible travel as a new government campaign launches to improve the journeys of disabled passengers on public transport.

The Department for Transport has launched the 'it's everyone's journey' advertising campaign to highlight how we can all play a part in making public transport inclusive. The campaign is being supported by more than 100 partners, including First Group, WHSmith Travel and the Alzheimer's Society.

As 1 in 4 disabled people say the attitudes of other passengers prevent them from using public transport, the campaign will encourage everyone to reflect on how common, and often unconscious, behaviours can impact others and what we can all do to create a more considerate environment for passengers.

The government will also shortly be announcing 124 stations across Great Britain which will benefit from a share of a £20 million government investment for accessibility improvements. The enhancements – funded through the [Access for All programme](#) – will include new lifts, accessible toilets and customer information screens.

Transport Secretary Grant Shapps said:

I want our transport system to be the best in the world for disabled people, but we still have a long way to go.

Our 'it's everyone's journey' campaign highlights that we can all play a part in making transport more accessible for disabled people. Because I believe we should all be making a determined effort to make public transport accessible to everyone, and I am committed to accelerating the pace of change.

We are launching a new scheme to recognise those transport

operators which are getting it right and will work quickly to implement recommendations from the upcoming [Keith Williams review](#) to improve rail accessibility.

Department for Transport research has shown that behaviours that make public transport a daunting place for disabled people are often unconscious, such as not looking out for a fellow passenger who might need a seat or be in distress.

The campaign will raise awareness about the needs of disabled people when using public transport, particularly people with non-visible impairments, and will also prompt members of the public to think and consider how their behaviour might impact others.

Combatting barriers to public transport is also one of the key parts of the [government's loneliness strategy](#) which includes the funding of a Kent coffee caravan and the pilot to expand the services provided by mobility centres in England.

John Birtwistle, Head of Policy at FirstGroup, said:

FirstGroup is particularly proud to be a partner in the launch of "it's everyone's journey". For many years we have sought to improve our services to reflect the needs of travellers with disabilities and to overcome barriers to use of public transport.

We will continue to encourage every one of our customers to be considerate to both their fellow travellers, and to our drivers who do a great job under difficult conditions, and we welcome this wide reaching national campaign.

James Taylor, Director of Strategy and Social Change at disability equality charity Scope, said:

Scope are pleased to back the 'it's everyone's journey' campaign. Disabled people have a right to be treated fairly rather than like second class citizens when they use public transport.

The negative attitudes and awkwardness many disabled people continue to experience when travelling need to be a thing of the past. We hope this campaign acts as a catalyst to address these issues so that disabled people can travel fairly.

Alongside this, the department is launching its [Inclusive Transport Leaders scheme](#), an accreditation scheme which will encourage, celebrate and promote best practice in inclusive transport.

Operators, such as bus and train companies, are encouraged to sign up to the

Inclusive Transport Leaders Scheme, to be recognised for the positive actions they are taking to improve disabled passengers' experiences on public transport, and to encourage others to follow their lead.

They can work towards 1 of 3 accreditation levels 'Committed', 'Operator' or 'Leader' by meeting designated criteria and publicly declaring the steps they have taken to improve the travelling experiences of disabled passengers, older people, and those with reduced mobility.

These improvements form part of the wider Inclusive Transport Strategy and supports the government's ambition of achieving equal access for all on public transport.

Research from TRL, a specialist in the delivery of transport research and technology, is also being published today, carried out to [inform revisions of the tactile paving and inclusive mobility guidance](#) which the department intends updating later this year.