News story: CMA publishes full decision in phenytoin case

<u>In December last year</u>, the Competition and Markets Authority (CMA) imposed a record £84.2 million fine on the pharmaceutical manufacturer Pfizer and a £5.2 million fine on Flynn Pharma after finding that each broke competition law by charging excessive and unfair prices for phenytoin sodium capsules, an anti-epilepsy drug. The CMA also issued directions ordering both companies to reduce their prices, which they have now done.

The decision sets out the evidence gathered by the CMA during its investigation and its reasons for finding that Pfizer and Flynn Pharma infringed competition law.

The decision and fines related to both the prices that Pfizer charged to Flynn Pharma for phenytoin sodium capsules and the prices that Flynn Pharma subsequently charged its customers for the product since September 2012. The CMA found that both companies held a dominant position in their respective markets for the manufacture and supply of phenytoin sodium capsules and each had abused that dominant position by charging excessive and unfair prices.

As a result of Pfizer's and Flynn Pharma's price increases, NHS expenditure on phenytoin sodium capsules increased from about £2 million a year in 2012 to about £50 million in 2013. Phenytoin sodium capsules are used in the treatment of epilepsy to prevent and control seizures, and are an important drug for an estimated 48,000 patients in the UK.

The full non-confidential decision and all other information on this investigation are available on the <u>case page</u>.

<u>Pfizer</u> and <u>Flynn Pharma</u> have lodged appeals against the decision with the <u>Competition Appeal Tribunal</u>. The hearing will start on 30 October 2017.

News story: Annual return service for charities

A reminder to submit your annual return for 2016, and information about the 2017 annual return service.

All charities have a legal responsibility to <u>send an annual return to the Charity Commission</u>. Failing to do so risks the public's trust in your charity and its reputation.

If you haven't filed your return for 2016 you have 10 months from the end of your charity's financial year to do so. If you are experiencing difficulties logging into the system, it could be that the service is experiencing high demand at that time — try it again later.

What you need to <u>submit depends on your annual income</u>. If your charity's income is:

- under £10,000, then you just need to submit your charity's income and expenditure figures — the easiest way to do this is through the annual return service
- between £10,001 and £25,000, you need to complete an annual return form
- more than £25,001, you must submit an annual return form with a set of annual accounts as well as an independent examiners' or audit report and a trustees' annual report (TAR)

Our <u>guide to the accounting essentials for charities</u> will help you understand the type of accounts your charity has to prepare, and whether they need an audit or independent examination.

All Charitable Incorporated Organisation's (CIO) need to submit an annual return and annual accounts. If your CIO has an income over £25,000 you also need to submit an independent examiners' or audit report along with a trustees' annual report.

We are developing a new, improved annual return service for 2017.

The new system will make it easier to file your charity's accounts and will be available to use from 31 August 2017.

We will let you know when the new system is available. Keep a check on this website and our Twitter feed for information.

News story: Agricultural challenges in China: apply for innovation funding

Businesses and researchers can apply for a share of £8 million to work with Chinese partners on agritech solutions in the People's Republic.

There is up to £8 million available for UK projects that partner with and aim to solve the challenges facing agriculture in China.

The competition is jointly funded by Innovate UK and <u>Biotechnology and Biological Sciences Research Council</u> (BBSRC) in the UK, and the <u>Ministry of Science and Technology</u> (MoST) in China. It is part of the <u>Newton Fund</u>, which uses science and innovation to the promote economic development and social

welfare of official development assistance (ODA) partner countries.

What we're looking for

We are seeking UK-China collaborations in 3 key areas:

- precision agriculture, agriculture digitisation and decision management tools. This includes use of data and the internet of things, remote sensing and monitoring of crops and animals, digital management and innovative livestock housing
- improving the efficiency of sustainable agricultural production, such as new approaches to tackling pests and disease, breeding, nutrition and new farming practices
- agricultural products processing, including improved understanding of protein composition, evaluating nutritional quality of farm products, improved waste reduction and food safety, preventing food fraud and proving authenticity

Projects must be carried out either entirely in China, or in both China and the UK. They cannot be conducted solely in the UK.

Competition information

- the competition is open, and the deadline for registration is 26 July 2017
- projects must involve at least one UK business of any size, one UK higher education or research council institute, one Chinese business and one Chinese academic institution
- a UK-based business or research organisation can lead the project
- Innovate UK and BBSRC will fund the UK partners and MoST will fund Chinese partners
- we expect projects to range in size up to £2 million and to last up to 3
 years. The total project grant must not exceed £1 million per project in
 the IIK
- businesses can attract up to 70% of their project costs

News story: Ofsted seeking views on improved approach to short inspections

Ofsted today launched a <u>consultation on proposals to improve the short</u> inspection model.

Short inspections began in September 2015 as a proportionate approach to inspecting schools previously judged to be good. They last for one day and begin with the assumption that the school remains good.

Most schools inspected this way keep their good rating. But when the lead inspector decides there is insufficient evidence to confirm the school is still good, or thinks it may now be outstanding, they will convert the short inspection into a full inspection. A team of inspectors then arrives at the school within 48 hours, to gather more evidence and reach a final judgement. Currently, around one third of short inspections convert to full inspections.

While this inspection model has been widely welcomed, both school leaders and inspectors have told us that the 48 hour conversion period can be challenging, for the following reasons.

1. Inspection schedules often change at the last minute, which can mean standing down Ofsted Inspectors (OIs) at short notice.

OIs are typically busy school leaders who have booked time off to inspect, and these last minute changes are frustrating and impractical.

Many OIs say they would like to lead more short inspections, but they are put off by the uncertainty in whether a short inspection will convert.

2. The decision to convert a short inspection is usually taken mid-afternoon, and a team of inspectors then arrives on site early the next day.

School leaders tell us this experience can be overwhelming. It can be a particular burden on large schools, where up to 8 inspectors are needed for the full inspection.

3. In about 20% of cases, before a short inspection takes place it is already clear that a school is facing complex circumstances that warrant a full inspection.

In these cases, moving straight to a full inspection would be less disruptive for the school and a better use of Ofsted's resources.

Today's consultation proposes 2 operational changes to improve the conversion process.

1. When a short inspection converts, the full inspection will be completed within a maximum of 15 working days, rather than 48 hours.

This will allow Ofsted to give OIs 5 to 10 days' notice of an inspection, and provide more certainty about the number of days they need to be away from their own school. Where an inspection converts because of safeguarding concerns, the full inspection will still complete within 48 hours.

2. A full inspection will automatically take place in around 1 in 5 cases where Ofsted has prior evidence that a school is in

complex circumstances.

Ofsted will select these schools through the standard risk assessment process.

To reduce the burden on very large schools, Ofsted will also continue the current practice of having a small team of inspectors carry out the converted full inspection over 2 days, rather than a large team on 1 day.

Ofsted's National Director of Education, Sean Harford said:

Short inspections are collaborative experiences, encouraging dialogue between inspectors and school leaders. And they've been widely welcomed by head teachers. But we've also heard concerns about the practicality of the 48 hour conversion window.

We're determined to keep the benefits of the short inspection model. But as we continue to develop an inspection programme that embraces the knowledge and skills of frontline practitioners, we need to make sure it works for those who give up their time to support us.

We are confident that these changes will ensure we use limited inspector time as efficiently as possible, while also reducing the burden on schools.

These are not fundamental changes; the inspection methodology will stay the same. And most good schools will still receive short inspections, and most will stay good.

The proposed changes would affect all good maintained schools and academies, as well as outstanding maintained nursery schools, special schools and pupil referral units, which are not exempt from inspection.

Ofsted is piloting the changes in around 35 schools during the summer term.

The consultation opens today and closes on 18 August 2017. If the proposals are accepted, it's expected that the changes will take effect immediately after the October half term this year.

Press release: Poll: half of Brits believe background determines success

The scale of Britain's 'us and them' society is laid bare today (15 June 2017) in a new report which finds that nearly half of people (48%) believe that where you end up in society today is mainly determined by your background and who your parents are. This compares with 32% who believe everyone has a fair chance to get on regardless of their background.

The <u>social mobility barometer</u> uncovers feelings of deep social pessimism among young people with half (51%) of 18- to 24-year-olds agreeing with this statement, compared with 40% of those aged 65 and over.

The new poll, published by the Social Mobility Commission, will gauge public attitudes to social mobility annually over the next 5 years. It finds that half of young people think the situation is getting worse with only 30% of 18- to 24-year-olds believing it is becoming easier to move up in British society.

Meanwhile, only a fifth of 18- to 24-year-olds believe they have a better level of job security compared with their parents, and only 17% say they have better job satisfaction.

The poll of nearly 5,000 people, carried out by YouGov before the general election, finds that 4 in 5 people (79%) believe that there is a large gap between the social classes in Britain today. A large majority of people believe that poorer people are held back at nearly every stage of their lives — from childhood, through education and into their careers.

Over three-quarters of people (76%) say poorer people have less opportunity to go to a top university. Meanwhile 66% say poorer people have less opportunity to get into a professional career.

It finds that nearly half of all Brits (49%) consider themselves working class and just over a third (36%) think of themselves as middle class with just one per cent identifying as upper class. Interestingly, 78% of those who grew up in a working class family classify themselves as this now.

A quarter (23%) of people who say that their family was working class when they were growing up, said that their social background has held them back in their working life.

One key finding is that the public believe a geographical divide exists in Britain today with nearly three-quarters of people (71%) say there are 'fairly or very' large differences in opportunity depending on where you live in the country.

Those living in Scotland (75%), Wales (75%) and the North East (76%) are most likely to think that differences in opportunities exist. Around 47% of those who moved from where they grew up say if they had stayed where they were,

they would not had as many opportunities in life.

The Social Mobility Barometer also explores public attitudes to individuals own past social mobility experiences as well as their expectations for future generations.

The barometer finds that people believe that more needs to be done to help those at the bottom of society. Over 6 in 10 people feel that those who are 'just about managing' are not getting enough support from government (61%), while 49% say the least well off are not getting enough support.

Alan Milburn, chair of the Social Mobility Commission, said:

Young people increasingly feel like they are on the wrong side of a profound unfairness in British society — and they are unhappy about it. Perhaps unsurprisingly, what could be dubbed the 'revenge of the young' was evident at the general election with record numbers of young people turning out to vote.

Down the generations, hope has been a defining characteristic of the young, but this poll suggests that today youthful pessimism is becoming the norm. There is a stark intergenerational divide about Britain's social mobility prospects.

The feelings of pessimism young people are expressing are borne out by the facts they are experiencing. Those born in the 1980s are the first post-war cohort not to start their working years with higher incomes than their immediate predecessors. Home ownership, the aspiration of successive generations of ordinary people, is in sharp decline among the young.

Britain's deep social mobility problem, for this generation of young people in particular, is getting worse not better. The 20th century promise that each generation would be better off than the preceding one is being broken.

The research also exposes a deep geographic lottery in Britain today where large majorities of people from the regions feel they have been left behind. The growing sense that we have become a divided 'us and them' society is deeply corrosive of our cohesion as a nation.

It is a wake-up call for the new government when 6 in 10 people say not enough is being done to help those treadmill families who are running hard just to stand still. Cracking Britain's social mobility problem has to become its defining domestic priority.

Jo Hobbs, chief executive of the British Youth Council, added:

As the national youth council of the UK, we hear from young people

all the time that they are struggling and do not have hope for the future. The results of the Social Mobility Barometer chime with our own research that has shown that the majority of young people feel the world is changing for the worse and that they are uncertain and worried about the future. This is why we believe it is crucial that young people are given a voice and are empowered to take an active role in decisions that affect their lives.

- 1. The Social Mobility Commission is an advisory non-departmental public body established under the Life Chances Act 2010 as modified by the Welfare Reform and Work Act 2016. It has a duty to assess progress in improving social mobility in the United Kingdom and to promote social mobility in England. It currently consists of four commissioners and is supported by a small secretariat.
- 2. The commission board currently comprises:
 - Alan Milburn (chair)
 - Baroness Gillian Shephard (deputy chair)
 - Paul Gregg, Professor of Economic and Social Policy, University of Bath
 - ∘ David Johnston, chief executive of the Social Mobility Foundation
- 3. The functions of the commission include:
 - monitoring progress on improving social mobility
 - providing published advice to ministers on matters relating to social mobility
 - undertaking social mobility advocacy.