

# CMA pharma probe secures £8m for the NHS

This follows an investigation by the Competition and Markets Authority (CMA) into suspected anti-competitive arrangements regarding the supply of fludrocortisone acetate 0.1 mg tablets.

It is the first time the CMA will secure such a payment to the NHS in one of its pharmaceutical investigations.

Fludrocortisone is a life-saving medicine, on which thousands of patients depend. It is supplied only on prescription, mainly to treat primary or secondary adrenal insufficiency, commonly known as Addison's Disease. It is paid for by the NHS and so ultimately by UK taxpayers.

The CMA has been investigating arrangements that Aspen entered into with 2 rival pharmaceutical companies in 2016, as the CMA suspected competition law had been broken by Aspen paying competitors to stay out of the market. These arrangements left Aspen as the sole supplier of fludrocortisone, with the ability to set prices without facing any competition.

As a result of the CMA's investigation, Aspen recently approached the CMA with an offer to try and resolve the case. After securing changes, the CMA is now announcing the proposed package, which includes:

- Admission of illegality: Aspen admits it was party to an illegal, anti-competitive agreement, by way of settlement.
- Compensation to address CMA's concerns: Aspen will commit to pay £8 million to the NHS – without the Government having to launch court proceedings for damages. This is intended to address the CMA's concerns that as a result of the impact of Aspen's behaviour, the NHS paid a higher price for fludrocortisone.
- Restoring competition: Aspen will also commit to ensuring that, in future, there will be at least 2 suppliers of fludrocortisone in the UK. This aims to address the competition concerns identified by the CMA and provide the NHS with the opportunity to secure better value for money when purchasing this medicine.
- Fine: Aspen will pay a maximum fine of £2.1 million, once the CMA has concluded its investigation, if it reaches a formal decision that the law has been broken. The CMA is continuing its investigation given other companies are involved.

Andrea Coscelli, the CMA's Chief Executive, said:

The CMA launched this investigation because we consider it unacceptable for the NHS – and the taxpayers who fund it – to have to pay millions of pounds more than they should for this life-saving drug.

This is the first time a CMA investigation will secure a payment for the NHS. The £8 million Aspen has agreed to provide will save the NHS the time and expense of seeking damages in court. Importantly, Aspen has also committed to ensuring there are more competitors in this market, giving the NHS the opportunity to secure better value for UK taxpayers' money in the future.

We welcome Aspen approaching us to find a new way of addressing the CMA's concerns. We believe this resolution will benefit the NHS, patients and taxpayers. Meanwhile we continue to investigate the 2 other companies we suspect illegally participated in this arrangement.

The CMA is required to consult interested parties before accepting commitments which it considers address its competition concerns, and so it is today consulting on the proposals to pay the NHS and resolve competition in the market. These parties have until 5pm on Monday 2 September 2019 to respond to the consultation, after which the CMA will decide whether to accept the commitments.

The CMA currently has other, unrelated investigations open in relation to 6 other pharmaceutical drugs.

More information on this investigation can be found on the [Pharmaceutical drugs: suspected anti-competitive agreements and conduct page](#).

## **Notes to editors:**

1. The Aspen companies involved in the CMA's investigation are Aspen Pharmacare Holdings Ltd, Aspen Global Inc., Aspen Pharma Ireland Ltd and Aspen Pharma Trading Ltd.
2. The CMA has competition concerns in relation to Aspen's acquisition in October 2016 of a fludrocortisone product, in circumstances where Aspen held the only other such product authorised for sale in the UK. Aspen has offered to resolve this part of the case by way of a proposed commitment to pay £8 million to the NHS and ensure that there will be at least 2 suppliers in the market. In order to fulfil the latter commitment, Aspen has committed to divest the fludrocortisone product acquired in October 2016 and reintroduce and commercialise its other fludrocortisone product in the UK. The CMA is today publishing its Notice of Intention to Accept Binding Commitments.
3. The total payment of £8 million will be allocated between the Department of Health and Social Care in England and the equivalent bodies in Scotland, Wales and Northern Ireland in accordance with the Barnett formula. The payment is expected to save the NHS time and money as the NHS would otherwise need to engage in court proceedings to claim damages. The payment does not preclude the NHS from seeking further damages if it considers doing so to be appropriate.
4. Aspen has also admitted to participating in an historic market-sharing agreement involving fludrocortisone. The CMA is investigating whether, under this agreement, Aspen agreed to pay competitors to stay out of the

market in order to protect its position as the sole supplier of fludrocortisone in the UK. The other parties suspected to be parties to the same agreement have not made any admissions. The CMA's investigation continues in relation to this suspected anti-competitive agreement.

5. Aspen has agreed to pay a maximum total financial penalty (fine) of £2,101,954 in relation to its admission that it participated in an anti-competitive agreement involving fludrocortisone. This penalty will only become payable when the CMA has completed that aspect of its investigation and if it finds that the agreement at issue breached the law. The CMA may impose a financial penalty (i.e. a fine) on any business found to have infringed UK or EU competition law. In calculating financial penalties, the CMA takes into account a number of factors including the seriousness of the infringement, turnover in the relevant market and any mitigating or aggravating factors.
6. The identity of the other parties to the suspected anti-competitive agreement involving fludrocortisone, which is still under investigation by the CMA, will be disclosed if the CMA decides to issue a statement of objections in this case. A statement of objections gives parties notice of a proposed infringement decision under the competition law prohibitions in the Competition Act 1998 and the EU law equivalents. It is a provisional decision and does not necessarily lead to an infringement decision. Aspen has admitted to an infringement of competition law, but the CMA has taken no decision in relation to the subject matter of the investigation at this stage.

---

## West Coast marks new partnership model for rail

- First/Trenitalia announced as the successful bidder to run the West Coast Partnership from December 2019 to 2031
- Transport Secretary and Chair of Rail Review confirm new Partnership is departure from flawed systems of the past, which will provide flexibility to help implement the future Williams Review recommendations
- Confirmation that government intends to publish Williams Review white paper in due course
- Passengers to benefit from more seats and 263 extra services every week, station upgrades and 61% reduction to fleet CO2 emissions through brand-new, modern trains

First Trenitalia has today (14 August 2019) been announced as the successful bidder to operate the West Coast Partnership, set to provide passengers with new trains, more seats, simplified fares and more frequent services on the West Coast Main Line.

Both the Transport Secretary Grant Shapps and Keith Williams, chair of the

[Rail Review](#), have heralded the Partnership as vital to deliver the swift introduction of significant benefits for passengers. The new Partnership is also designed to fit with the direction of the Review and to facilitate the implementation of Williams' recommendations in due course.

It also reflects a significant move away from the previous flawed franchising system to tackle issues already highlighted by the Williams Review, with the use of a forecast revenue mechanism (FRM) to avoid a repeat of the issues that affected the previous East Coast Main Line. This mechanism will be supported by a new annual review process, to ensure partnership working is effective, collaborative and continually improving.

The Transport Secretary has also confirmed that the government intends to produce a white paper in due course setting out the recommendations of Williams, to bring forward his vision for a truly passenger focused industry centred on clear, accountable leadership.

Transport Secretary Grant Shapps said:

This award is positive news for passengers, with more services, more direct connections and ambitious plans for a cleaner, greener railway, and also represents a decisive shift towards a new model for rail.

It is a Partnership supported by Keith Williams, built with the flexibility to respond to his recommendations and deliver fundamental reform to a flawed system. Meeting Keith last week confirmed our shared determination to deliver a future that puts passengers at the heart of the railways, and get our trains to run on time.

That is why I have asked Keith to produce his recommendations for a white paper, with fearless proposals that will deliver a railway system fit for the 21st century.

Keith Williams, Chair of the Rail Review, said:

The railway needs reform that prioritises the customers and communities it serves, with an absolute focus on delivering benefits for passengers. I have also been clear that my review must not stop or delay investment and innovation.

This West Coast Partnership delivers for passengers. It is a step forward that is firmly in line with the review, introducing benefits for passengers today and capable of incorporating the reforms needed for the future.

Today's award confirms that, from December 2022, passengers will benefit from 263 extra train services every week, with Motherwell set to become a major

calling point for most West Coast Partnership services. Destinations including Llandudno and Gobowen will now be served by direct trains to and from London, and Walsall will receive its first direct intercity services. Subject to approval from the Office of Rail and Road, 2 trains per hour will run between Liverpool and London.

First Trenitalia will also oversee the introduction of new environmentally-friendly trains, entirely replacing the diesel-only fleet and reducing CO2 emissions by 61%. It will also invest £117 million in a major refurbishment of the current Pendolino fleet, providing more comfortable seats and additional luggage space.

The new operator will also strive for ambitious green targets by investing in stations and depots to reduce the environmental impact of the Partnership. This includes introducing new solar panels and energy efficient air conditioning, alongside a commitment to achieving an 80% reduction in non-recyclable waste from products sold or supplied on-board trains.

First Trenitalia will also oversee the introduction of:

- more flexible and convenient smart ticketing options
- free wifi and high quality mobile connectivity on board services
- improved delay repay compensation for all passengers
- £32 million of investment into developing and delivering infrastructure capacity and capability improvements
- 10 new secure cycle storage facilities; improved bus facilities; 900 new car parking spaces, and 100 new Electric Vehicle charging points
- new ticket machines at stations, removal of the administration fee and enabling on-the-day changes to both advance tickets and seat reservations
- new initiatives to increase diversity, inclusion and skills retention in the rail industry

First Trenitalia will also act as the Shadow Operator responsible for HS2. The government will shortly launch a review into HS2 and the Partnership has been designed in order to ensure that it can implement the review's outcomes.

---

## Over one million people to save hundreds, as new 16-17 Saver launches, cutting cost of rail travel for teenagers

- half price 16-17 Saver launching next week for 1.2 million 16 and 17-year olds

- young people set to make average savings of £186 every year
- railcards boost education opportunities and help communities and businesses by making travel cheaper for young people

Today (14 August 2019) the Department for Transport, together with the rail industry, has confirmed the brand new 16-17 Saver will launch next week, guaranteeing half-price travel for young people in England and Wales.

Whether starting or returning to sixth-form or college, beginning an apprenticeship or entering the world of work, teenagers can start buying their discounted tickets on Monday 2 September 2019.

It is forecast to save young people and their families an average of £186 every year and is set to boost education opportunities, communities and businesses with young people able to travel more affordably.

Rail Minister Chris Heaton-Harris, said:

The brand-new Saver means that a generation of rail passengers can now benefit from cheaper fares, keeping money in their pocket and helping them get to school, college and work.

We want to create a railway system that's fit for the 21st century and provides a reliable, punctual journey. It's tempting to say fares should never rise, but the truth is that if we stop investing in our railways then we'll never see it improved.

Through the Saver, the 26-30 Railcard, and a record £48 billion investment in the railways, we are focused on providing passengers with the frequent, reliable and affordable journeys they deserve.

The launch comes as the Rail Delivery Group (RDG) confirmed that over 327,000 people are now saving a third off their journeys after purchasing the 26-30 Railcard, saving an average of £19 per month since it launched in January.

Today's announcement means that passengers aged between 16 and 30 will now benefit from significant savings on their travel.

Available for purchase for £30 online, the 16-17 Saver will be on sale at 9.00am on Tuesday 20 August. From this date, up to 1.2 million young people are eligible for the 50% discount it offers on most rail travel, including peak and season tickets.

Robert Nisbet, Director, Nations and Regions at RDG said:

The launch of the 16-17 Saver, in partnership with the Department for Transport, demonstrates the rail industry's commitment to providing the best value fares for all customers.

There are 1.2 million people aged 16 or 17 years in Great Britain –

working together, we want to ensure they can access affordable rail travel with the new 16-17 Saver.

David Hughes, Chief Executive of the Association of Colleges said:

This rail discount for 16 and 17-year olds is a huge step in the right direction and will help to alleviate the financial pressures facing young people and their families across the country.

Many from disadvantaged backgrounds find themselves making difficult choices about their future based on how much their journey to college will cost, increasing the pressures of staying in education.

Travel costs should never be a barrier to education, today's announcement will give a much needed helping hand to thousands who rely on rail travel to access education and training.

The new Saver means that young people are now eligible for a child fare until their 18th birthday. It is valid across England, Wales and services into Scotland.

The root and branch [review of the rail industry](#), led by Keith Williams, is looking at fares reform and affordability for passengers. It is intending to publish recommendations in due course, with the anticipation that reforms will begin during 2020.

January 2020 will be the seventh year running the government will have capped fares in line with inflation. Since 2014 fares have, on average, remained below the annual inflation cap.

---

## **Applications for the Chevening Scholarships opened on 5 August**

Chevening Scholarships are awarded to individuals with demonstrable leadership potential who also have strong academic backgrounds. The scholarship offers full financial support for future leaders to study for any eligible master's degree at any UK university whilst also gaining access to a wide range of exclusive academic, professional, and cultural experiences.

Over the last 35 years, 50,000 outstanding professionals have had the opportunity to develop in the UK through Chevening. There are more than 1,500 scholarships on offer globally for the 2020/2021 academic year, demonstrating the UK's ongoing commitment towards developing the leaders of tomorrow.

Applications for Chevening Scholarships to study in the UK will be open between 5 August and 5 November 2019, with applications to be submitted via the [Chevening application page](#).

Chevening Scholarships Officer in Santiago, Marianne Becker, said:

The UK continues to play a leading role globally. Home to some of the world's best universities, brightest students, and most revered academics, the UK's higher education sector promotes the exchange of information and ideas, as well as the building of knowledge and networks. Chevening Scholars find themselves immersed in that world, and emerge having grown academically, professionally, and personally as a result of their time in the UK.

We are looking for ambitious, professional, forward-thinking leaders from any walk of life. There is no such thing as a 'typical' Chevening Scholar, but one thing that all of our previous scholars have in common is that they were bold enough to step forward and apply.

If you are chosen for Chevening, you will receive a first-rate UK education which can open doors in your career. You will also become part of the global Chevening Alumni network full of dynamic influencers who have shared the same experience as you will, and can offer mentorship, advice, and contacts.

There is a lot to potentially gain from submitting a thoughtful application, so if you or someone you know has what it takes to be a Chevening Scholar, I would encourage you to apply before the 5 November deadline.

## **More information**

Visit the [application guidance](#) for detailed information on the eligibility criteria and scholarship specifications.

## **Contact**

For more information about the Chevening application process, contact [Marianne.Becker@fco.gov.uk](mailto:Marianne.Becker@fco.gov.uk).

## **About Chevening**

Chevening Scholarships are the UK Government's global scholarship programme, funded by the Foreign and Commonwealth Office (FCO) and partner organisations. The scholarships support study at UK universities – mostly one year taught master's degrees – for individuals with demonstrable potential to become future leaders, decision-makers, and opinion formers.

Chevening began in 1983 and has developed into a prestigious international awards scheme. Chevening Scholars come from over 160 countries and



territories worldwide, and more than 1,600 scholarships were awarded in 2019/2020. There are over 50,000 Chevening Alumni around the world who comprise an influential and highly regarded global network.

The name 'Chevening' comes from Chevening House in Sevenoaks, Kent – currently the joint official residence of the UK's Foreign Secretary.

More information is available at the [Chevening Scholarships website](#).

---

## **Enforcing international humanitarian law**

Statement by Ambassador Karen Pierce, UK Permanent Representative to the UN, at the Security Council briefing on the promotion and strengthening of the rule of law in the maintenance of international peace and security