

Press release: Pharma firms accused of illegal agreements over life-saving drug

The Competition and Markets Authority (CMA) has provisionally found that, from July 2011 to April 2015, the sole supplier of hydrocortisone tablets in the UK, Auden Mckenzie, and its rival, Waymade, entered into anti-competitive agreements.

This may also have involved Auden Mckenzie abusing its dominant position by making monthly payments to Waymade not to enter the market. The CMA has today issued its concerns in a 'Statement of Objections' to the companies involved.

As a result of this alleged anti-competitive behaviour, the CMA believes the NHS was denied a choice of suppliers and the potential savings resulting from increased competition.

Hydrocortisone tablets are the primary treatment for people suffering from the life-threatening Addison's Disease, where adrenal glands produce insufficient amounts of natural steroid hormones. These tablets are a frontline treatment with limited alternatives available for patients.

From 2011 to 2015, while Auden Mckenzie remained the sole supplier of 20 mg hydrocortisone tablets, charges to the NHS rose from around £46 to £90 for a pack of 30 tablets, increasing the annual costs incurred by the NHS for the medicine from £1.7 million to £3.7 million.

The CMA provisionally finds that in May 2011, Waymade was ready to enter the market for 20 mg hydrocortisone tablets, but then failed to do so until July 2015. Instead, it froze its own stock and agreed a deal with Auden Mckenzie under which it received monthly payments aimed at delaying its entry as a competitor in the market.

Waymade also obtained a licence to sell 10 mg hydrocortisone tablets in September 2012. In exchange for Waymade not entering the market and competing with its own tablets, the CMA alleges that Auden Mckenzie significantly lowered the price it charged Waymade from the market rate of around £32 per pack to £1.

Michael Grenfell, the CMA's Executive Director for Enforcement said:

The CMA has today provisionally found that Auden Mckenzie and Waymade broke competition law through Auden Mckenzie paying its rival to stay out of the market.

Hydrocortisone is a lifesaving drug for those suffering with Addison's Disease in the UK. The NHS should not be denied the opportunity of benefitting from an increased choice of suppliers

and potential savings on what it spends on this essential drug.

This is a provisional finding. The companies now have the chance to make representations to the CMA before it reaches a final decision.

For more information see the [hydrocortisone tablets: alleged anti-competitive agreements and conduct](#) case page.

Notes to editors

1. The Chapter I prohibition in the Competition Act 1998 prohibits anti-competitive agreements and concerted practices between businesses which have as their object or effect the prevention, restriction or distortion of competition within the UK. The Chapter II prohibition in the Competition Act 1998 prohibits the abuse of a dominant position by one or more companies which may affect trade within the UK or a part of it. Similarly, Articles 101 and 102 of the Treaty on the Functioning of the European Union (TFEU) prohibit, respectively, anti-competitive agreements and the abuse of a dominant position which may affect trade between EU member states.
2. The CMA may impose a financial penalty on any business found to have infringed either of these prohibitions of up to 10% of its annual worldwide group turnover. In calculating financial penalties, the CMA takes into account a number of factors including seriousness of the infringement(s), turnover in the relevant market and any mitigating or aggravating factors.
3. A Statement of Objections gives parties notice of a proposed infringement decision under the competition law prohibitions in the Competition Act 1998 or the TFEU. It is a provisional decision only and does not necessarily lead to an infringement decision. Parties have the opportunity to make written and oral representations on the matters set out in the statement of objections. Any such representations will be considered by the CMA before any final decision is made. The final decision will be taken by a case decision group, which is separate from the case investigation team and was not involved in the decision to issue the statement of objections.
4. The Statement of Objections will not be published. However, any person who wishes to comment on the CMA's provisional findings, and who is in a position materially to assist the CMA in testing its factual, legal or economic arguments, may request a non-confidential version of the statement of objections by contacting the CMA.
5. In this Statement of Objections, the CMA proposes to find that the following legal entities formed part of the undertaking Auden Mckenzie; from 1 July 2011 until 31 October 2012 Auden Mckenzie (Pharma Division) Limited; from 1 November 2012 until 30 April 2015 Auden Mckenzie (Pharma Division) Limited and its holding company, Auden Mckenzie Holdings Limited.
6. The Statement of Objections is addressed to Auden Mckenzie (Pharma Division) Limited, Auden Mckenzie Holdings Limited and Accord-UK Limited. Accord-UK Limited (formerly named Actavis UK Limited) is an addressee because the CMA provisionally considers it was the economic

successor of Auden Mckenzie (Pharma Division) Limited and should therefore be held liable for that company's direct involvement in the alleged infringements for their full duration.

7. The Statement of Objections is additionally addressed to Waymade plc.
8. Hydrocortisone tablets are only sold in 2 different strengths in the UK – 10 mg and 20 mg.
9. In December 2016, a separate CMA investigation accused Actavis UK (formerly Auden Mckenzie) of charging excessive prices to the NHS for 10mg hydrocortisone tablets following a 12,000% price rise over the course of several years. View the [case page](#) for further information. In March 2017, another CMA investigation accused Actavis UK (formerly Auden Mckenzie) and Concordia Ltd (formerly Amdipharm Ltd, now Advanz Pharma) of entering into agreements under which it incentivised Concordia not to enter the market with its own competing version of 10 mg hydrocortisone tablets, and alleged that Actavis UK abused its dominant position by inducing Concordia to delay its independent entry into the market. View the [case page](#) for further information.
10. All information relating to this case can be found on the CMA [case page](#). All 3 investigations are likely to be progressed in parallel.
11. For more information on the CMA see our [homepage](#) or follow us on [Twitter](#), [LinkedIn](#) and like our [Facebook](#) page. Sign up to our [email alerts](#) to receive updates on Competition Act 1998 and cartels cases.
12. Media enquiries should be directed to the CMA Press Office at press@cma.gov.uk or 020 3738 6460.

[News story: Environment Agency publishes new evidence to plan for flood and coastal risk up to 2065](#)

The Environment Agency has published a new economic assessment to aid planning for flooding and coastal risk management over the next 50 years.

The study uses new climate change, population and mapping data to set out potential future scenarios, assessing how funding could be best allocated to meet these challenges.

The [long-term investment scenarios report](#) states that without sustained investment, future flood damage to properties and infrastructure in England will significantly increase. It estimates that an average annual investment of £1 billion will be necessary up to 2065.

The overall benefit to cost ratio of the new estimates is 9 to 1, which means for every £1 spent on protecting communities, around £9 in property damages and wider impacts would be avoided.

A full range of climate change scenarios demonstrate that a number of measures are needed to ensure that communities are resilient over the next half-century. These include building and maintaining large-scale engineered defences, natural flood management techniques such as planting trees and slowing the flow of water and property flood resilience for homes.

The findings will also provide new evidence for planning authorities and developers. As the population grows, the number of properties in the flood plain is set to almost double over the next 50 years. Current planning policy and implementation limits the impact on flood risk but continuing to make the right investment and planning decisions will be vital to keep pace with population growth and climate change.

Julie Foley, Director Flood Strategy at the Environment Agency said:

This report sets out the level of investment we need to consider over the next 50 years alongside the action we need to take to ensure that communities, businesses and vital infrastructure are resilient to flooding and coastal erosion.

The scenarios are a key evidence base to inform our Flood and Coastal Erosion Risk Management Strategy, due later this year, and will help government, businesses and the insurance industry plan for the future.

The report findings highlight the importance of continued investment to protect infrastructure including transport and utility networks, 41% of which are located in areas which are at risk of flooding.

The impacts of flooded infrastructure can be far more extensive than the immediate water damage, impacting on supply chains, travel and access to key services like hospitals and schools. The [National Flood Resilience Review](#) sets out how government is working with utilities companies, regulators and others to implement long-term resilience plans.

The Environment Agency is investing £2.6 billion in flood and coastal erosion risk management projects between 2015 and 2021, helping to protect 300,000 homes. Later this year, the EA will consult on its new Flood and Coastal Erosion Risk Management Strategy which sets out the long term vision for a nation more resilient to flooding and coastal change.

[Read the Flood and coastal risk management: long-term investment scenarios.](#)

Speech: UK colonial legacy: Recognition and Reconciliation

Distinguished guests, ladies and gentlemen,

My name is Nik Mehta, Charge D’Affaires of the British Embassy Seoul. I am delighted to join you this evening to commemorate the 100th anniversary of the 1 March Movement in such a poignant week for peace on the Korean peninsula. Thank you for the opportunity to talk about the UK’s colonial legacy and its impact on universal peace.

As I stand here this evening, as a representative of the UK government, I am acutely aware of the UK’s colonial history. My family are East African Asians. My mother was thrown out of Uganda in the early 1970s by Idi Amin’s forces after he decided to expel all Asians. She was taken in by the UK. My father left Kenya at around the same time to study in the UK. They are very much the children of Britain’s colonial past and imperial history. Indeed, many years ago when I first told some members of my extended family that I was going to work for the UK Foreign Office, they were quite shocked – and even a little upset. Some asked me if I had forgotten what the British did to “our people”.

I think it’s fair to say that the UK does have a more complex historical legacy than most countries. And it’s not all good. I strongly feel that we must acknowledge our past – the good and the bad. The process of reconciliation and revisiting the past is not an easy one. The UK’s colonial legacy will remain controversial, but what’s important is that we continue to learn the lessons of our history.

As you all know, Britain and its allies were instrumental in setting up the international order that has now broadly existed since 1945. The thinking behind this was simple – that the best way to create stability was to create a system where ‘might is not automatically right’ – and where every country, large or small, lives under the protection of the UN charter. Having a rules based international order – with multilateral institutions like the United Nations, World Bank and WTO – has made us all more prosperous and successful than ever before in the history of humanity.

In the more recent past, this year marks the 20th anniversary of the Belfast Agreement, more commonly known as the Good Friday Agreement, which effectively brought an end to 30 years of sectarian violence in Northern Ireland and established a cross-community consensus for peace. What history clearly teaches us then, is that you cannot have lasting peace without justice, accountability and reconciliation.

But we must not be complacent. Increasingly this rules based international order is being called into question as we saw on the streets of Salisbury last year, and in some parts of the world the democratic values that once bound us together are threatened. So we need to ask ourselves, what’s our

plan for the future?

I know that is an open question, but from the UK perspective I think the answer lies in using the history we have to build a common future. For example, largely as a result of our history and language, the UK has truly global connections and the British diaspora is enormous. Last year we hosted the Commonwealth Heads of Government meeting in London. The summit demonstrated that the Commonwealth is not only united by a common history, but a desire to work together to face global challenges. The Summit delivered a unanimous commitment to oppose chemical weapons and enhance cyber-security cooperation in order to protect against ever more sophisticated digital threats.

The UK is no longer a superpower. And we don't have an empire any more – a fact which I for one am grateful for. But as we depart from the EU, it's important to remember that we have the 5th biggest economy in the world, the second biggest military budget in NATO, the third biggest overseas aid budget, one of the world's largest financial centres, are a permanent member of the UNSC... we also have six of the world's top twenty universities including the very best, 450,000 overseas students studying in the UK (with around 5,000 Koreans, we really want to see that number increase), and 39 million visits by tourists in 2017 (with around 200,000 Koreans – again, not high enough, we really want to see that number increase)... I think I may have said enough, but I hope you can see how proud I am of the global impact the UK continues to make and what we continue to stand for.

I am also proud that I can stand in front of you as a British diplomat and as a son of Commonwealth immigrants. I continue to believe that diversity remains one of the UK's greatest strengths.

Finally, we must remember that the impressive progress of modern history, with South Korea being a tremendous example of this, has happened not by accident but by design. Its continued success can't be taken for granted. It is therefore up to all of us in the international community to strengthen our resolve, and make the most of what history has given us, in order to tackle the challenges of tomorrow.

Thank you

[Press release: Access to compensation scheme for victims who lived with their attacker](#)

- victims previously denied awards will also be able to claim
- part of wider review of Criminal Injuries Compensation Scheme already

underway

More victims of violent crime will be able to claim compensation, as the government today (28 February 2019) brought forward legislation to abolish the longstanding pre-1979 'same-roof' rule.

Under the so-called 'same roof' rule, victims of violent crimes which took place before 1979 have been blocked from receiving compensation if the attacker was someone they were living with at the time of the incident.

Ministers vowed to remove this obstacle and allow greater access to compensation, recognising the rule's unfair impact on victims of crimes such as child sexual abuse. The pledge is part of wider measures to boost support for victims included in the cross-government Victims Strategy, published last September.

The move will amend the Criminal Injuries Compensation Scheme so that all victims abused by someone they lived with can reapply for compensation – regardless of when the attack took place.

It will mean that victims who may not have come forward because of the rule, or were previously denied awards under it, will be eligible to claim compensation – with awards being made to those who meet the Scheme's other criteria.

A wider review of the whole compensation scheme, ordered by Ministers, is already underway. This review aims to ensure the scheme responds to the changing nature of crime, and best supports victims in their recovery.

Victims Minister Edward Argar said:

We are abolishing the out-dated 'same-roof' rule so no victim is unfairly denied access to compensation after the trauma they suffered many years ago, simply because they lived with their attacker.

This delivers on another of the commitments we set out in the Victims Strategy last year, and we are undertaking a full review of the whole scheme to ensure that it continues to reflect the changing nature of violent crime and needs of victims.

Today's announcement, along with the Victims Strategy, is a further reflection of this government's determination to ensure that victims of crime get the support they need and deserve.

Baroness Newlove, Victims' Commissioner for England and Wales, said:

I very much welcome the government's move to abolish the "same roof" rule.

I have always felt that the rule was unfair. It has caused unnecessary distress to many victims and survivors, especially within families, where some siblings have been eligible for criminal injuries compensation and yet others have not, solely on the grounds of the date on which, the abuse took place.

In future, all victims of historic abuse will be treated equally and their access to compensation will be an acknowledgement of their suffering and pain.

The Criminal Injuries Compensation Scheme awards taxpayer-funded payments to victims injured as a result of violent crime, paying out over £150 million to victims in 2017/18.

The 'same roof rule' was part of the original scheme introduced in 1964 and was intended to ensure perpetrators would not benefit from compensation paid to victims they lived with.

It was amended in October 1979 so future victims could claim compensation if they no longer lived with their attacker and were unlikely to do so again. However, as is common with many changes to the law, this was not made retrospective – which meant some victims may have missed out on compensation if they were a victim of a violent crime before the law change.

A statutory instrument, laid in Parliament today, will remove the pre-1979 rule completely – enabling more victims access to compensation.

The ongoing review of the Criminal Injuries Compensation Scheme will look at, among other things, concerns around the eligibility rules, the definition of 'violent crime', and the type of injuries that are covered.

It will report back later this year and inform a future consultation on changes.

Notes to editors

'Same roof rule'

- The so-called 'same roof rule' was part of the original (non-statutory) compensation scheme introduced in 1964.
- The rule was changed in October 1979, but the changes were not made retrospective.
- The pre-1979 same roof rule applies to adults and children. Under the rule applicants are not entitled to compensation if they were living with their assailant as members of the same family at the time of the incident.
 - The reasons for the rule were, broadly, difficulties with evidence in such cases, and a wish to ensure that offenders did not benefit from compensation paid to the victim who they were living with.
 - The rule applies to all victims of abuse inflicted by a family member living under the same roof; this includes physical as well as sexual abuse.

- The rule was amended in 1979 to apply to adults who continued to live with their attacker only. Under the current 2012 Scheme, applicants can still be refused compensation if at the time of the incident they were adults living with the assailant as members of the same family, unless they no longer live together and are unlikely to do so again. This rule is being amended so that it will apply to adults from 1964 onwards to ensure that it applies equally to all applicants regardless of the date when the injuries were sustained.
- In July 2018 the Court of Appeal decided that the 'same-roof' rule had unfairly denied a claimant who was abused by her stepfather the right to damages. The government chose to not appeal this judgment, and confirmed that the rule would be removed as part of the Victims Strategy published in September.
- The statutory instrument laid today will remove the pre-1979 rule from the 2012 Criminal Injuries Compensation Scheme. New and past applicants refused an award under the pre-1979 rule will still need to meet all the remaining eligibility criteria within the 2012 Scheme.

Review

The review will examine whether the Scheme remains fit for purpose, reflects the changing nature of violent crime and effectively supports victims in their recovery.

It will consider:

- The scope of the Scheme, including the definition of violent crime for the purposes of compensation for injury, and the type of injuries that are covered by the Scheme.
- The eligibility rules including, among other things, concerns about time limits for making applications, unspent convictions, and consent in sexual offences cases.
- The requirements of the Scheme in relation to decision-making, including issues such as the level of evidence required for compensation claims, and the timeframes for accepting or rejecting awards.
- The value and composition of awards available through the Scheme, including the balance struck between serious and less serious physical and mental injuries.
- The impact of the Scheme on particular groups, including victims of child sexual abuse and victims of terrorism.
- Opportunities to simplify the Scheme.
- The affordability and financial sustainability of the Scheme.

The review's [Terms of Reference](#).

The [Victims Strategy](#), published in September 2018, sets out a series of measures and commitments across government to overhaul the support available to victims of crime.

News story: New training for health visitors to boost early language skills

Children most at risk of starting school without the basic language and communications skills are set to benefit from expert education support at home.

Health visitors – who routinely do home visits to check on a child's development at age two – will receive additional training to identify speech, language and communication needs early on, with a new assessment and support package.

Specialist training will be provided for 1,000 health visitors who will work in some of the most deprived communities in England, as part of the Government's drive to tackle the 'word gap' – the gap in communication skills between disadvantaged children and their peers.

Speaking to an audience of 300 early years professionals in Manchester today (Thursday 28 February), Children and Families Minister Nadhim Zahawi will also announce £24 million of additional funding for the 2019-20 academic year for Maintained Nursery Schools, providing reassurance for these settings which tend to care for higher numbers of disadvantaged children, often most at risk of falling behind.

Children and Families Minister Nadhim Zahawi is expected to say:

Being able to communicate and express yourself is the gateway to success, not just in school but in later life. It's these crucial early years that make the most impact on a child's future path – because for those children who start out behind their peers, it's so much harder to catch up.

The evidence tells us that we need to improve children's communication and language before they arrive at school, when so much of a child's time is spent at home, to help get them on track to be confident, able learners.

If we are to improve outcomes for disadvantaged children, we must think about how we can do things differently – including through parents. No parent has all the answers – so we need to make it easier for them to kickstart their child's learning at the earliest opportunity, whether by encouraging them to take part in educational activities as a family, support from trained experts at home to identify concerns earlier, or better access to high-quality early years education.

Children who start school with poor vocabulary are twice as likely to be unemployed as an adult, so health visitors will be trained to recognise early signs of delays with a child's speech and language development and take action when it can have the most benefit.

The programme, a joint initiative being rolled out across the country by the Department for Education and Public Health England, will benefit thousands of families across the country, with a focus on parents who may lack the time, resources, or confidence to support their children's learning at home.

It builds on the Education Secretary Damian Hinds' society-wide ambition to halve the proportion of children leaving Reception year without the communication, language and literacy skills needed to thrive within the next decade.

The first wave of training will involve 400 health visitors in 49 council areas identified as being in high need, based on deprivation factors including free school meal eligibility and the level achieved in speech, language and communication among children aged five in the Early Years Foundation Stage Profile. The next wave will train a further 600 health visitors from 2020 onwards.

Professor Viv Bennett, Chief Nurse at Public Health England, said:

Health visitors have trusted relationships with families and play a vital role in supporting young children's health and wellbeing. This important new training will help more children develop the language and literacy skills they need to reach their full potential, ensuring that specialist support gets to those that need it most.

Health visitors in five areas of the country – Derbyshire, Newham, Middlesbrough, Wakefield and Wiltshire – will trial a bespoke early language assessment tool being developed by the University of Newcastle, led by Professor James Law.

The assessment tool will be designed to be quick and easy for health visitors to use to support their professional judgement, taking into account any concerns raised by parents and carers. It will be trialled for the first time this summer and rolled out nationally in 2020.

Mayor of Greater Manchester Andy Burnham said:

The early years of a child's life are critical in giving them the best start and the best opportunities to get on. Speech and language skills are essential to that which is why this announcement is good news for Greater Manchester – and good news for our children and families.

This joint programme will enhance the work we are already doing

across the city-region, doing things differently and driving forward pioneering approaches to close the educational inequality gap and ensure no child is left behind.

In recognition of the need for certainty about the 2019-20 academic year in maintained nursery schools, an additional £24 million will be provided to local authorities to enable them to continue funding maintained nursery schools at higher rates. This provides certainty for the sector ahead of the Spending Review.