

The role of the Chairman within the Competition Commission

Appointment

1. The Chairman is appointed by the Secretary of State for a period of up to eight years. The appointment is made in accordance with guidance issued by the Commissioner for Public Appointments. His/her remuneration is determined by the Secretary of State for the Department of Business, Innovation and Skills (BIS).
2. The Chairman is responsible to the relevant BIS minister. Communications between the Competition Commission's (CC's) Council and the responsible minister should normally be through the Chairman. He or she is responsible for ensuring that policies and actions comply with statutory requirements and, whilst recognising and maintaining the CC's independence in decision taking, support the responsible minister's and where relevant other ministers' wider strategic policies and that its affairs are conducted with probity. Where appropriate, these policies and actions should be clearly communicated and disseminated throughout the CC.

Strategic leadership

3. The Chairman has particular responsibility for providing effective leadership in:
 - the formulation of the CC's strategy, including ensuring the CC's independence in the exercise of its statutory functions;
 - ensuring that the CC is recognised as having high integrity and independence of view;
 - ensuring the Council's strategic direction reflects the vision for the CC as a world-class competition authority as set out in the White Paper on Competition;
 - ensuring the views of the CC are properly represented to the public on the basis of a policy of appropriate transparency agreed with the Council;
 - ensuring all members of the Council engage in regular and collective consideration of issues and that the Council operates effectively at a high strategic level;
 - ensuring the formulation of, and assisting the Council to formulate, appropriate strategies as required;
 - ensuring that the Council, in reaching decisions, takes proper account of guidance provided by the responsible minister or BIS;
 - encouraging high standards of propriety and promoting the efficient and effective use of staff and other resources throughout the organisation;
 - ensuring that the CC achieves a high and consistent standard in its decision making;
 - delivering high standards of regularity and propriety;

- liaises with the Secretary of State, the Office of Fair Trading and industry regulators to facilitate the efficient operation of regulatory processes; and
 - representing the views of the Council and the CC to the general public.
4. Communications between the Council and ministers will normally be through the Chairman except where the Council has agreed that another individual Member should act on its behalf.

Council

5. The Chairman is required to ensure that the Council meets at regular intervals throughout the year and that the minutes of meetings accurately record the decisions taken and, where appropriate, the views of individual Council Members.
6. The Chairman will ensure that all Members of Council, when taking up office, are fully briefed on the terms of their appointment and on their duties, rights and responsibilities. The Chairman will ensure Members of Council each have a copy of the following publications or their equivalents or replacements:
- the code of practice for Council Members;
 - the code of practice for Reporting Panel Members and Special Panel Members;
 - guidance on conflicts of interest;
 - CC guidance documents and statements of policy issued by the Council;
 - the CC's Framework Document and Financial Memorandum;
 - the latest Corporate Plan and Annual Report and Accounts;
 - the Treasury's *Managing Public Money*;
 - the Treasury's handbook *Regularity and Propriety*;
 - the Treasury's guide *Managing the Risk of Fraud*;
 - the Treasury's guide *Management of Risk: A Strategic Overview*;
 - notes describing the CC's organisational structure and statutory basis of operation; and
 - the Terms of Reference for Council.
7. The Chairman should encourage new Council Members to attend an induction course on the duties of board members of public bodies or some other suitable form of induction programme.
8. The Chairman also has an obligation to ensure that:
- the work of the Council and its Members is reviewed and that they are working effectively;
 - the Council has a balance of skills appropriate to directing the CC's business, as set out in the Government Code of Good Practice on Corporate Governance;

- Council Members are fully briefed on terms of appointment, duties, rights and responsibilities;
- he or she, together with the other Council Members, receives appropriate training on financial management and reporting requirements and on any differences that may exist between private and public sector practice;
- performance objectives are set for the Chief Executive which take into account the objectives of the CC and the proper management, use and utilization of public resources;
- the responsible minister is advised of the CC's needs when Council vacancies arise;
- he or she assesses the performance of individual Council Members when they are being considered for re-appointment;
- there is a code of practice for Council Members in place consistent with the Cabinet Office Model Code.

Reporting and Special Panel Members

9. The Chairman also has an obligation to ensure that:
 - all Reporting Panel and Specialist Panel Members of the CC, when taking up office, are fully briefed on the terms of their appointment and on their duties, rights and responsibilities and receive appropriate induction training; and, when vacancies arise, advice is provided to the Secretary of State on the needs of the CC;
 - that a Code of Practice for Reporting and Specialist Panel and Council Members is in place based on the model Code of Practice for Board Members of Public Bodies produced by the Cabinet Office. The Code must commit the Chairman and other Members to the Nolan seven principles of public life, and must include a requirement for a comprehensive and publicly available register of Members' interests;
 - (with the Chief Executive) there is up to date guidance on conflicts of interest for Members of the CC, which he/she will operate jointly with the Chief Executive in respect of Members' specific conflicts of interest; and
 - he or she assesses the performance of individual Reporting and Specialist Panel Members.

Inquiry Groups

11. The Chairmen has the power to appoint inquiry groups and other groups (for example the Remedies Standing Group).
12. Additionally the Chairman must make the rules of procedure following consultation with Members of the CC. These rules are binding on the Chairman, any Deputy

Chairman, any chairman of a group, any group appointed by the Chairman, any Member of the CC and any person authorised by the Chairman or the group to carry out any function of the CC.

Remuneration Committee and Audit Committee

13. The Chairman must set up a Remuneration Committee and an Audit Committee, each of which are chaired by an independent non-executive Member to provide independent advice.