

# The Office of Fair Trading Annual Plan 2004-05

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# chairman's introduction

Each year we aim to make markets work better. In this our second annual plan we set out our objectives for the coming year. We explain how meeting those objectives will help markets work better.

Markets that work well are important not only for consumers but also for all the good businesses in the economy. They are also crucial to the wider aim of bringing UK levels of competition, consumer empowerment and protection up to the level of the best, making an important contribution to raising the rate of UK productivity growth.

The Board is responsible for setting the OFT's strategic direction, establishing priorities and objectives, and monitoring our performance. Strategic decisions – eg the launch of market studies or the making of market investigation references to the Competition Commission (CC) – are taken by the Board, while casework is generally for the Executive to take forward. The wider experience and expertise that the Board brings are particularly helpful as the OFT takes on new powers and responsibilities.

Success in meeting our objectives depends on effective use of our powers, old and new. Among our new powers are those relating to mergers, the criminal cartel offence under the Enterprise Act, more effective ways of halting breaches of consumer law, and a better basis for the promotion of self-regulation and consumer education initiatives.

Legal challenges are to be expected in relation to enforcement activity, especially in the early days of any new regime, and in this context we will continue to use our enforcement powers robustly and proportionately. Legal challenge can help clarify the law – as illustrated by the recent Court of Appeal judgment on OFT merger references to the CC.

Our plan seeks to achieve the right combination of communication and enforcement to ensure that competition and consumer law works effectively for the public. Improving compliance with competition and consumer law is therefore a prime objective. All our work is underpinned by studying how markets operate, and we will continue to publish reports, including recommendations to Government, on how markets could work better.

Over the coming year we will develop our new role in consumer education by developing a national strategy with others actively involved in this area. We will be raising consumer awareness on the new codes of practice regime and logo to encourage participation by traders and thus raise trading standards to the benefit of consumers. Through guidance and seminars we will continue our work to help businesses – especially small and medium sized enterprises (SMEs) – understand and comply with competition and consumer law.

We want to enhance the effectiveness of our work with our enforcement partners and other key players in the UK and internationally. We will work closely with Government (especially the Treasury and the DTI) on legislative change, for example in relation to consumer credit. We will advance our work with the European Commission and other national authorities on competition enforcement and consumer policy issues, especially to ensure that the 'modernised' European competition enforcement process works well in the UK from its inception in May 2004. We will continue to play a leading role in the International Competition Network (ICN), fostering co-operation between competition agencies across the world, and in the International Consumer Protection and Enforcement Network (ICPEN) whose presidency we assume next year.

We will continue to strengthen our joint efforts with trading standards departments across the UK, and we will work more closely with the devolved administrations to ensure that our agenda reflects concerns throughout the UK and that our actions are appropriately targeted. We will continue to develop our programme of regional roadshows.

We are grateful to all those who responded to the consultation draft of this Plan, which was published in December. Comments received are reflected throughout this final version of the Plan, but there are two general points to be mentioned at the outset.

First, respondents welcomed the idea of developing an explicit strategic framework to help guide our priorities and assess performance. However, this needs more development analytically and empirically, and a further statement will be made during the year.

Second, there is a widespread view, which we share, that more needs doing to measure how well markets are working, and in particular the OFT's performance. To that end, we have initiated consumer and business research on perceptions of choice, competition and the OFT's adherence to its values. Early findings are reported in section 4 below. This research will help form a baseline for judging future results.

# values

Our actions will be characterised by **transparency**:

- we will consult on our Annual Plan
- we will explain our rationale for what we do and how we set priorities
- we will set clear and measurable objectives
- we will report on progress in our Annual Report
- we will explain and publicise our decisions
- we will publish guidance on how we intend to use our powers
- we make available on our website minutes of Board meetings.

We will be **consistent** in our use of the powers given to us by legislation, in our approach to enforcement (when, where and how to intervene) and in our responses to complaints.

We are **accountable** to the public through Parliamentary scrutiny both in Westminster and the devolved administrations, eg through investigations by Select Committees and parliamentary questions. We must also account for our use of resources in our Annual Accounts which are audited by the National Audit Office.

Our decisions under the Competition Act may be appealed to the Competition Appeal Tribunal (CAT) which provides a full re-hearing. The CAT also has the power to review (on Judicial Review principles) decisions to clear mergers or refer them to the Competition Commission (CC) and decisions on whether or not to make a market investigation

reference to the CC. There is a further right of appeal on a point of law to the Court of Appeal.

Our licensing decisions under the Consumer Credit Act are subject to appeal heard by an independent panel. We enforce consumer law through the courts and our actions here can be appealed.

Our investigations and decisions will be **proportionate** to the detriment that we seek to remedy. They will be characterised by a **fair** and **objective** approach, **clear analysis** and **considered judgement**. When deciding on enforcement intervention we will adopt the following principles:

- action is necessary and proportionate, as set out in the Enforcement Concordat, and where there is evidence of a breach of the relevant consumer or competition law and/or of actual or potential harm stemming from the breach
- business will normally be given reasonable opportunity to put matters right if this is possible
- wherever possible and permitted by law, court action will normally only be taken after undertakings have been sought
- where relevant, proceedings will be brought by the most appropriate body
  - with proper regard for other statutory regulatory means and for non-statutory mechanisms and
  - in the case of consumer protection enforcement, with regard to the application of the Home Authority Principle.

- we will seek to ensure that any action is co-ordinated so that the business concerned is not subjected to unnecessary multiple approaches and
- in line with the OFT's standard approach to putting information into the public domain, publicity on cases will be accurate, balanced and fair.

We will act in a **professional** manner in all our dealings with outside parties. We will improve our skills levels and review our actions in order to learn lessons for the future.

Our actions will be characterised by **independence**, while at the same time taking account of views expressed to us.

We are committed to providing a high quality, accessible and responsive service to businesses and the public. Listening to and acting on feedback, whether positive or negative, on how we have provided a service is vital in helping us review, refine and improve our performance.

We will provide a well-publicised, transparent, effective and timely procedure, easily accessible to business and the public, to deal with complaints about the way we have provided a service. In instances where complaints cannot be resolved on the spot, details of the complaints procedure and the likely time-scales involved will be provided. Complaints about any decision we have made should be addressed using the separate legal process provided.

We are committed to promoting **diversity** within our workforce and in our business objectives and practices.

# making markets work better

Our goal of making markets work well for consumers is something for which we continuously strive as markets evolve over time. Year by year, we aim to make markets work better.

Markets work well when fair-dealing businesses are in open and vigorous competition with each other for custom. When there is effective competition and consumers understand what they are buying and are not misled by deceptive or unfair practices, they have genuine power of choice. Markets which work well for consumers also work well for fair-dealing, competitive businesses.

Promoting and maintaining competitive and fair markets and empowering consumers remain the main planks that underpin our strategy. We deliver them through:

- strict but proportionate enforcement of competition and consumer law
- improving compliance by business with competition and consumer law
- encouraging businesses to raise their trading practices in their dealings with consumers, for example through effective self-regulation
- empowering consumers through advice, education and campaigns
- identifying and carrying out market studies
- making market investigation references to the CC where appropriate

- advising Government on
  - the effects that regulations have on competition
  - new laws, at EC level and nationally, that further improve the competition and consumer legislative framework.

We are developing a strategic framework that we believe will enable us better to focus our actions on those areas where we are likely to have the greatest impact. It will help us to establish our priorities and make best use of the tools available to us. In particular it will emphasise that our strategic aim is to create an environment in which markets work well without the need for routine enforcement actions, using our powers where necessary both to remedy market failures that do occur and to provide a continuing deterrent. We aim to publish the framework during 2004-05.

## **Market studies: tackling wider consumer and competition issues**

Market studies are one way in which we identify strategic priorities for the OFT, as well as investigate specific instances of significant market failure.

There can be many reasons why particular markets do not work as well for consumers as they should. Making those markets work well for consumers can extend beyond

enforcement of competition and consumer law. There may be wider issues to address, such as restrictive government regulations or difficulties for consumers in obtaining or understanding information.

Where there are doubts that markets are working well we will carry out market studies. Our work in this area will be focussed on markets which are important in themselves or to other parts of the economy or which have a particular impact on vulnerable groups. We aim to reduce consumer detriment by identifying and addressing a wide range of market failures while ensuring that legislation, existing or new, takes account of competition and consumer protection issues.

In doing so we will work closely with our enforcement colleagues, including co-enforcers, key stakeholders and other interested parties, first in identifying areas for study and thereafter in the studies themselves. Developing further our contacts with stakeholders and the devolved administrations is crucial to enhancing our ability to gather and understand information and in ensuring our work is focussed on key areas of concern. We will continue to take care that our analysis is robust and seen to be so, and that any solutions we identify to address market failures are proportionate and effective.

In taking forward our work we will follow our published market study approach and procedures, on which we have recently consulted. We will combine a strategic, high level quantitative approach with our varied information sources to identify areas of concern. In doing this we will continue to work closely with stakeholders such as government departments, and trade and consumer bodies to identify market concerns. In addition we will also be working with designated consumer bodies who may make super-complaints.

Close working with teams across the OFT and with parties outside will remain essential if we are to identify appropriate courses of action, which may include a reference to the CC where that body is best placed to investigate markets. Our work will continue, wherever possible, to be informed by experience abroad. We will continue to seek to identify particular groups which may be most affected by market failure and ensure our remedies match their concerns.

We will continue to review markets previously studied by the OFT or the CC to determine whether they are, in practice, working better. This includes considering whether undertakings following a CC report are still necessary or appropriate.

## Guidance and enforcement

We will use our **competition enforcement** resources to ensure that markets are open and free of anti-competitive behaviour.

When working effectively, competition is a process of rivalry between firms to win customers' business by achieving lower levels of costs and prices, developing new products or services or exploiting the firm's particular advantages to meet customer needs more effectively than its competitors. Competition thus benefits consumers by driving down prices, encouraging innovation and productivity and increasing quality and choice.

Our aim is to create market conditions where markets work well, and potential constraints on open competition are removed, where appropriate, through undertakings and other corrective actions. However, we have strong competition enforcement powers and we aim to use them where they will give the best present and future benefits for consumers.

We will do this in three main ways:

- informing and educating firms, consumers and public bodies on the benefits of effective competition and how to comply with competition law
- punishing those who break competition law by carrying on anti-competitive behaviour and weakening effective competition and
- deterring firms who may be tempted to do this. We also seek to ensure that market structures remain open and do not create incentives for anti-competitive behaviour through our role in merger control.

While our aim is to help business work within the law, we will impose penalties on those which we find to have taken deliberate actions which breach competition law. Eliminating effective competition in a market through 'hard-core' anti-competitive behaviour – cartel activity or abuse of market dominance designed to remove rivals – will be particularly severely sanctioned. We may also investigate individuals who have encouraged or condoned such behaviour if we think they may have committed an offence or be liable to disqualification as a company director.

We aim to deter firms from behaving anti-competitively. We will do this by seeking to improve detection and investigation of anti-competitive behaviour and by ensuring that our leniency programme encourages firms to come forward and reveal anti-competitive practices. Our merger control powers are used to ensure that, where we believe that a merger might result in a substantial lessening of competition in a market, we will refer it to the CC for an in-depth review.

We will also continue to ensure that we keep stakeholders informed of our competition enforcement activity. We aim, in particular, to make sure that the business community is aware both of its rights under competition legislation and of how to comply with competition law. Our efforts will be focused on informing business of the changes to competition enforcement at a European level – which will impact how businesses comply with competition rules – and on ensuring that individuals are aware of their new responsibilities to comply with criminal cartel (and similar) laws.

In **consumer protection enforcement** we focus our resources where we can deliver the greatest benefits for consumers, and bring about necessary beneficial changes in business behaviour. To identify priority sectors and traders for

action, we draw on information from our own casework and that of co-enforcers, from market studies and other research commissioned by OFT, and from external stakeholders and patterns of enquiries to OFT and Consumer Direct when the pilot schemes are in place. We will:

- secure improvements in business behaviour, where there is consumer detriment, in line with the Enforcement Concordat through guidance, consultation or through proportionate enforcement action as appropriate
- produce guidance documents and consumer leaflets on key areas of consumer complaint and detriment. We anticipate producing documents and leaflets including further guidance on contracts for tenancy, building and home improvements and caravan sites, and on penalty charges in credit card contracts
- monitor compliance with outcomes, concentrating on areas of significant detriment
- working with our communications division, ensure awareness of our enforcement action through press notices, Consumer Regulation Website, OFT website and other publications, and public events such as roadshows
- promote the Codes scheme nationally in a way that will have greatest impact on consumer awareness.

### Communications

Our communications activities will complement and enhance our efforts to make markets work better. We will give consumers a greater understanding of their rights, awareness of the pitfalls they may face when making a purchase and, through that, the confidence to make informed choices. We will give businesses access to the advice and information they need to comply with their responsibilities under competition and consumer laws and provide fair-dealing businesses with an opportunity to complain about the anti-competitive or otherwise deceptive behaviour of their competitors.

Our communications activities will concentrate on:

- empowering consumers by giving them the information they need to get the best from the market place by encouraging them to make effective choices and drive competition
- publicising, whenever possible, successful enforcement action to highlight the effectiveness of laws where we have responsibilities, to encourage complaints about breaches of the law, and to encourage businesses to comply with the law and consumers to avoid detriment
- effectively targeting information/educational material to sectors that are in particular need of information in accessible and appropriate language for the target audiences. This includes SMEs and vulnerable consumers
- ensuring publicity campaigns are directed at key areas of consumer detriment in order to give appropriate and timely information to those consumers who are likely to suffer most from ill-informed choices and making sure that the impact of this work is effectively monitored to inform future activities
- measuring publicity/media coverage for stages/outcomes of campaigns and market studies
- ensuring effective, working co-operation/partnership with consumer and business organisations on information and education delivery
- ensuring that businesses and consumers from all sectors of the community and in all parts of the UK have access to our advice and information
- directing business campaigns to maximise compliance
- maximising opportunities for publicity in all parts of the UK
- improving communications with external stakeholders by developing and maintaining a National Liaison Strategy and
- enhancing relations with Scotland, Wales and Northern Ireland by increasing our presence in those countries and by employing an OFT representative in Scotland.

# key objectives for planning period

We plan our actions over a rolling three-year period, currently 2004-05 to 2006-07. We are mindful that our level of funding for 2006-07 will be confirmed in the summer of 2004.

Nevertheless, we think it sensible to plan ahead, recognising that we will finalise our plans for 2006-07 in two years time, at which point our funding will be known.

By the end of the planning period we aim to make demonstrable progress on the following objectives:

- consumers judge that markets deliver more and better choices in terms of goods and services  
*First results show that the majority of consumers perceive there to be more choice in the market place and 2 in every 5 consumers perceive that there is more choice **and** better quality*
- consumers and businesses judge that market abuses have been addressed  
*Initial research shows that larger businesses are more likely to feel that the market is free from abuses. Generally businesses feel that the situation is no better / no worse than 12 months ago. Consumers think the situation has improved or stayed the same in terms of being fair and reasonable in the last 12 months*

- businesses judge that barriers to fair and open competition are being addressed  
*Initial findings show that medium and larger businesses are more likely to feel that the market is open to competition. Generally businesses feel that the situation is the same as 12 months ago*
- consumers and businesses have a better understanding of their rights and obligations under competition and consumer protection law  
*Key findings from the latest tracking research show that business awareness of the Competition Act continues to increase. Consumers do not perceive themselves to be particularly well informed about their rights, although they are reasonably confident in using them*
- stakeholders judge that we operate in accordance with our values  
*The first survey amongst stakeholders shows that the OFT scored highest for being independent, fair and objective and transparent and least high for being consistent and providing proportionate and considered judgement*

## key objectives for planning period

We also aim to:

- maintain our position among Global Competition Review's top international jurisdictions, and
- develop criteria for benchmarking our performance against international competition and consumer authorities.

Where relevant, we will measure our success through annual surveys of consumers and businesses.

For 2004-05 our main objectives and supporting targets are set out in Annexe A.

We will review progress in our Annual Report for 2004-05. The lessons learned will inform our next Annual Plan, which we will issue for consultation towards the end of 2004.

# risk management

Our approach to risk management is based on assessing and managing risks that might impact adversely on our goal of making markets work well for consumers, and acting on opportunities to advance that goal.

Risk is managed at all levels throughout the OFT. At Board level, key corporate risks are kept under review, opportunities are identified and the adequacy of risk management controls is assessed. Responsibility for risk management is cascaded throughout OFT, with managers and individual members of staff taking responsibility for managing specific risks which could affect the achievement of their objectives and targets, and for identifying opportunities which would enhance those objectives and targets.

We provide a coherent framework for assessing risks by mapping them according to 'risk themes', which are underpinned by registers of corporate and operational level risks. The themes are governance, business planning and financial management, legal and due process, communication and information, human resources, working environment and propriety.

We have made considerable progress in integrating risk management into our business processes. But further work is required. In the immediate future, we will concentrate on:

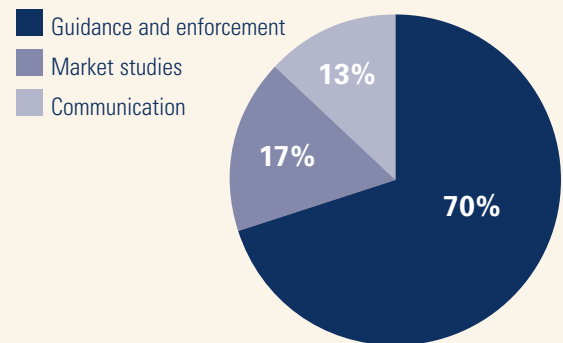
- introducing a risk management development programme
- including assessments of key operational risks in quarterly performance reports to the Board
- introducing quarterly assurances to the Accounting Officer from operational directors in support of the Statement on Internal Control
- developing more detailed operational risk registers in our business plans for 2004-05, and
- issuing new guidance on business planning, that will include risk management.

# resource allocation

We propose to allocate resources in 2004-05 to our three main areas of activity as follows:

<u>Guidance and enforcement (competition and consumer regulation)</u>	<u>£38m</u>
<u>Market studies (includes policy advice and information gathering)</u>	<u>£9.4m</u>
<u>Communications (includes consumer education)</u>	<u>£7.0m</u>

OFT funding allocation 2004-05



# further information

More information about the Office of Fair Trading and our work can be found on the website at [www.offt.gov.uk](http://www.offt.gov.uk), in the latest annual report and in our publication *A Guide to the OFT* which can be ordered by telephoning 0870 60 60 321.

# annexe: objectives and deliverables for 2004-05

## Objective 1

We will encourage businesses to raise their trading practices in their dealings with consumers, for example through effective self-regulation.

*Direct budget £2.3m<sup>1</sup>*

### Deliverables

We will promote the codes scheme nationally through a range of activities to raise awareness to consumers and business.

We will encourage new code sponsors within 16 agreed sectors to apply for OFT approval.

We will set up focus groups to help identify consumer detriment:

- to enable us to target promotion of the scheme in those sectors where most detriment exists
- to assist in the monitoring of the effectiveness of codes developed under the scheme.

## Objective 2

We will actively enforce consumer protection legislation, co-ordinated with other enforcement agencies, with the aim of eliminating unfair business practices and ensuring that only fit persons hold a consumer credit licence or act as an estate agent.

*Direct budget £9.1m*

### Deliverables

#### Consumer credit and estate agents

We will continue to work closely with the DTI on reforms to the consumer credit regime which will foster competition and innovation while addressing unfair business practices and dealing with unfit businesses.

We will improve our fitness checking and screening of consumer credit licence applicants through access to criminal convictions held by Disclosure Scotland, supported by redesigned forms that will capture information enabling better identity checking of individuals and by a review of other sources of relevant information.

We will consult on, and revise if necessary, our guidance on non-status lending, and conduct a compliance review of our debt collection guidance, in order to achieve greatest benefit for vulnerable consumers.

<sup>1</sup> There is a £7 million difference between the totals of the figures in the Resource Allocation section and the direct budgets in this section. This is because, in the Resource Allocation section, the Secretariat budget, the reserve (Litigation and General) and the capital budget are allocated pro-rata, as is the budget for objective 9.

We will improve:

- the effectiveness of the consumer credit licensing regime through providing training for and liaison with trading standards services and citizens advice bureaux, and through input to DTI work on unlicensed trading and revision of the Consumer Credit Act (CCA)
- compliance with CCA by issuing guidance to businesses and effective enforcement co-ordinated with the trading standards service.

We will provide more effective enforcement and protection for consumers in the estate agency market by:

- the application of wider powers under the Enterprise Act to eliminate new and developing unlawful practices in the market
- detailing the way in which these powers will be applied both by the production of appropriate guidance literature and by implementing a proactive programme of educating the industry and enforcement partners via a series of regional conferences and presentations.

### Co-regulation and co-ordination

We will work with the DTI on European legislation that shapes the framework for consumer and competition law and on initiatives – for example the Organisation for Economic Co-operation and Development's (OECD) guidelines on tackling cross-border fraud – that improve effective enforcement for UK consumers.

We will target resources to tackle telemarketing scams originating in Canada, working closely with our counterparts

to achieve real benefits in a market known to be a major source of detriment to UK consumers.

We will assume the presidency of the International Consumer Protection Enforcement Network in 2004-05, aiming to maximise the effect of co-operative casework under improved cross-border consumer protection legislation.

We will, where it is impossible to act directly, undertake disruptive enforcement action, working collaboratively with other parties such as internet service providers and postal services.

We will research consumer detriment and produce a report that will enable us to more accurately identify our enforcement priorities.

We will ensure delivery of a co-ordinated and coherent enforcement order regime under Part 8 of the Enterprise Act by all enforcers, by:

- formalising the respective roles of all enforcers under Memoranda of Understanding
- continuing to provide general and specific guidance, support and training to partners, and
- promoting the use of the Consumer Regulation Website by relevant enforcers as the main tool for exchange of information with OFT about consumer enforcement action, in particular under part 8 of the Enterprise Act, to facilitate OFT's co-ordinating role and ensure the most efficient and effective allocation of resources nationwide.

## Objective 3

We will use our powers actively under competition legislation to deal with anti-competitive practices.

*Direct budget £10.6m*

### Deliverables

- Using the Competition Act powers and/or our powers under Articles 81 and 82 of the EC treaty
  - we expect to investigate between 45 and 65 cases where there are reasonable grounds to suspect an infringement of the prohibition(s)
  - we expect to make between 5 and 10 reasoned, published infringement decisions
  - we expect to publish between 20 and 30 other case closures of which 5 to 10 cases will involve informal resolution of potential competition issues by the parties.

We will:

- investigate carefully – together with the Serious Fraud Office (and the Crown Office in Scotland) – potential criminal cartel offences
- use OFT's powers under sector-specific competition regimes to investigate carefully those schemes, rules and practices that raise potential competition issues, and take prompt action where significant anti-competitive effects are found
- put in place sound procedures to implement the decentralisation of EC competition law and will publish clear guidance on the changes. We will work closely with the other members of the new ECN, including the European Commission, in cases affecting trade between Member States
- deal with appeals to the CAT in a way which seeks to develop and enhance the effectiveness of the UK competition regime.

## Objective 4

We will keep markets open and competitive through merger control.

*Direct budget £1.8m*

### Deliverables

We will:

- make references to the CC or accept undertakings in lieu in all mergers which we believe may substantially lessen competition
  - we expect to consider between 180 and 230 public mergers
  - of these we expect 30 to 50 to raise more complex issues and hence to be considered by a case review meeting
  - based on experience, and the Court of Appeal's clarification of the substantive merger test, we expect to refer to the CC or accept undertakings in lieu of reference for between 20 and 25 mergers
- seek to play a full part in working within the new EC merger regime.

## Objective 5

We will study markets proactively to see whether they are working well and refer markets to the CC for investigation where appropriate.

*Direct budget £3.9m*

### Deliverables

We will:

- respond to super-complaints from designated consumer bodies within 90 days of receipt
- initiate up to seven market studies, at least two of which will look at the effects on the market of government regulations
- complete ongoing studies within published timescales
- carry out between two and four reviews of existing CC undertakings to determine whether they remain necessary or require modification
- refer markets to the CC for investigation where we consider that the reference tests in the Enterprise Act and the criteria in OFT guidance are met.

## Objective 6

We will empower consumers through campaigns, advice and education and inform consumers and business about their rights and responsibilities under competition and consumer laws, and give law-abiding businesses the opportunity to complain about the anti-competitive behaviour of others.

*Direct budget £3.7m*

### Deliverables

We will:

- run a programme of eight regional roadshows across the UK in order to explain our work to businesses and consumers region by region, improve our understanding of how local markets are working in practice and enhance our profile at a regional level
- run specific, targeted campaigns to improve awareness amongst consumers of their rights and amongst businesses of their responsibilities, including:
  - two consumer campaigns
  - initiative to improve awareness of credit issues amongst young adults
  - initiative to improve knowledge of consumer rights amongst minority ethnic groups and
  - campaign to continue championing competition to consumers
- maintain the annual tracking research programme to enable us to measure public awareness of fair trading issues
- implement our consumer education strategy to give consumers the confidence and lifelong skills to get the best from the market place.

## Objective 7

We will provide information to the public, gather information on markets from a variety of external stakeholders (other government departments, [OGDs], devolved administrations, major PLCs, trade bodies, consumer organisations, members of the public) and produce market intelligence for the market studies teams, enforcement teams, and the Board.

*Direct budget £0.4m*

### Deliverables

We will:

- provide a source of information to the public and gather intelligence for referral to enforcement divisions and MPID
- further improve the speed and effectiveness with which we handle public enquiries
- further develop relationships with stakeholders via a National Liaison Strategy, by initially taking on board opinion formers in the business and consumer communities and the devolved administrations
- In conjunction with colleagues in the enforcement divisions, we will lead a programme to gather and analyse information on international issues of relevance to the OFT
- continue to develop relationships with regional and devolved administrations, including creating a new post for an OFT representative for Scotland.

## Objective 8

We will play an active role in shaping of policy in order to facilitate competitive markets and maintain and develop consumer protection.

*Direct budget £1.9m*

### Deliverables

We will:

- promote continuing improvement in quality of OGD competition assessments by scrutinising regulatory impact assessments, provide drafting advice and educate OGDs on assessing competition impacts
- co-ordinate input into new legislation that directly impacts on OFT enforcement activity
- provide both proactive and reactive advice on wider policy initiatives
- liaise with stakeholders, domestically and internationally, in order to advise on new policy initiatives and impact on the legislative and regulatory debate
- work with stakeholders through a Payment Systems Task Force to address main competition concerns and their downstream effects on consumers.

## Objective 9

We will develop our human resource capability and corporate infrastructure.

*Direct budget £14.1m<sup>2</sup>*

### Deliverables

We will:

- introduce performance management and pay systems that are better suited to the OFT's needs
- introduce a new framework for informing and consulting staff
- introduce further improvements to the financial management and reporting systems
- improve the efficiency with which accommodation is used throughout OFT
- implement the IS strategy
- start office wide implementation of Electronic Records Management.

<sup>2</sup> Includes fixed costs such as rental payments on Fleetbank House and Craven House.