

support and staffing

Specialist teams

Legal

Our Legal division provides advice to the rest of the OFT on how the legislation under which we have powers should be applied and enforced. It also advises on domestic legislative proposals; how European Community consumer legislation should be implemented in the UK and conducts some of the OFT's litigation. OFT lawyers work closely with their colleagues in other government departments and with legal advisers throughout the European Union. For example, the division collaborates with the Department of Trade and Industry in the preparation of statutory instruments to be made by the Secretary of State for Trade and Industry under competition and consumer protection legislation. It also liaises with the Treasury Solicitor's Department on the conduct of litigation for the OFT.

Other specialist advice

One of the teams in our Markets and Policy Initiatives division is made up of economists, financial analysts and statisticians who provide specialist support across the OFT when it is appropriate. This covers enforcement casework and market studies as well as policy issues.

The team works closely with colleagues across the OFT including other economists, as well as policy economists and statisticians in other government departments and the European Commission.

The team is also responsible for the OFT's programme of internal economics training and economic discussion papers. In the reporting period, the team published two papers: on the role of competition policy in highly innovative markets, and on a methodology for estimating the benefit to consumers of the OFT's competition policy work. Two further papers are due to be published later in 2003: on the impact of switching costs on how markets work, and on methodologies for assessing profitability.

Secretariat

In preparation for the creation of the new OFT board, we formed a new Secretariat team (formerly the Director General of Fair Trading's private office). The team provides administrative support to the Chairman, Executive Director and the non-executive board members.



Staffing

The OFT expanded during the reporting period as we took on new responsibilities and an increased workload. At 31 March 2003, we had 631 permanent staff compared with 493 at the end of 2001.

Our human resources team focused its attention on recruiting and developing high-calibre, qualified and well-trained staff.

A major recruitment drive during the reporting period saw us taking on 194 new staff. They included 66 for our Consumer Regulation Enforcement division, 52 for Competition Enforcement, 36 for Markets and Policy Initiatives and 40 for our support divisions.

We are committed to the Civil Service recruitment principles of open and fair competition and selection on merit. Our recruitment practices aim to ensure that:

- prospective applicants are given equal and reasonable access to adequate information about the job and its requirements and the selection process
- applicants are considered equally on merit at each stage of the selection process
- selection is based on relevant criteria applied consistently to all candidates
- selection techniques are reliable and guard against bias.

Our human resources team focused its attention on recruiting and developing high-calibre, qualified and well-trained staff.

Our recruitment systems operate in line with the Civil Service Commissioners' Recruitment Code and are subject to internal checks. No candidates were recruited during the year under the arrangements for permitted exceptions under the Recruitment Code.

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Diversity

Our commitment to equal opportunities is reflected in the diversity of our staff.

Proportion of total staff at 31 March 2003

Women	50%
People from ethnic minorities	20%
People with disabilities	5%

Proportion of staff recruited during the reporting period

Women	54%
People from ethnic minorities	23%
People with disabilities	3%

Looking in more detail at the diversity of those recruited at different grades:

Category	Number recruited	Number of women	Number from ethnic minorities	Number with disabilities
Senior civil servants	5	1	0	0
Senior managers	52	23	7	2
Executive staff	94	55	12	1
Clerical and support staff	43	27	24	2



Learning and development

At the end of the reporting period, almost 100 staff had gained a postgraduate certificate in competition policy after completing a distance-learning course developed jointly by the OFT and Nottingham Trent University. A further 57 staff were taking the course and more are starting it during 2003.

During the reporting period, the appraisal system introduced in 2001 was rolled out across the OFT. This system is designed to help staff members align their individual performance objectives with the goal and objectives of the OFT and identify their key development needs.

We introduced a new mentoring scheme in 2002. This is aimed at helping people from ethnic minorities and those with disabilities develop their careers.

Investing in people

The OFT achieved Investors in People (IiP) status in 1999 and in April 2002 was re-assessed by independent IiP assessors. We were told we needed to improve in certain areas if we were to retain IiP recognition. Our human resources efforts were focused on rapid expansion and organisational change and the auditors felt we were not giving enough attention to areas such as learning and development and sharing of best practice.

We were, and remain, fully committed to retaining our IiP status: we believe doing so will help us create a supportive, stimulating and rewarding working environment.

We were, and remain, fully committed to retaining our IiP status: we believe doing so will help us create a supportive, stimulating and rewarding working environment and will therefore make the OFT a more effective organisation. Following the 2002 assessment, we sought to embed IiP principles and practices across the OFT, focusing particularly on creating more and better learning and development opportunities. At the end of the reporting period, we were preparing for re-assessment.

Organisational changes

During the reporting period, our Consumer Regulation Enforcement division was reorganised into three branches to enable it to work in a more effective and coordinated way and to meet the challenges of enforcing the Enterprise Act 2002. In addition, a fourth branch was added to our Markets and Policy Initiatives division to carry out market investigation work under the Enterprise Act.

HR strategy

We developed our human resources strategy to ensure the OFT has the right staff in the right place at the right time.

The strategy focuses on recruitment and retention, learning and development and performance management.

Top team

The OFT senior management team at 31 March 2003 (with pending appointments in brackets) was:

John Vickers	Director General of Fair Trading <i>(Chairman from 1 April 2003)</i>
Penny Boys	Deputy Director General of Fair Trading <i>(Executive Director from 1 April 2003)</i>
Caroline Banks	Director of Consumer Regulation Enforcement Division <i>(replaced by Christine Wade, 1 July 2003)</i>
Margaret Bloom	Director of Competition Enforcement division <i>(to be replaced by Vincent Smith, 1 August 2003)</i>
Jonathan May	Director of Markets and Policy Initiatives division
Pat Edwards	Director of Legal division
Simon Brindley	Legal Director, Competition
Louis Christofides	Legal Director, Competition
Frances Barr	Legal Director, Competition
Jessica Farry	Legal Director, Consumer
Paul Gurowich	Legal Director, Consumer

Vincent Smith	Director CE1 <i>(competition policy coordination)</i>
Neil Feinson	Director CE1 <i>(EC competition policy)</i>
Simon Priddis	Director CE2 <i>(mergers)</i>
Adrian Walker-Smith	Director CE3 <i>(cartel investigations)</i> <i>[replaced by Chris Mayock as Acting Director, 1 April 2003]</i>
Becket McGrath	Director CE4, <i>(media, sport and information industries)</i>
Justin Coombs	Director CE5 <i>(service industries)</i>
Alan Williams	Director CE6 <i>(basic industries, energy and vehicles)</i>
Donald Mason	Director CE7 <i>(consumer goods industries)</i> <i>[replaced by Christiane Kent, 14 July 2003]</i>
Steven Wood	Director CRE1 <i>(UK enforcement)</i>
Ray Hall	Director CRE2 <i>(consumer credit and estate agency)</i>
Christine Wade	Director, CRE3 <i>(co-regulation, codes and coordination)</i>
Amelia Fletcher	Director MPI1
Martin Graham	Director, MPI2 <i>(replaced by Daniel Gordon, 28 April 2003)</i>
Christopher Rawlins	Director MPI3
Graham Winton	Director MPI4 – new post from 22 April 2003
Mike Ricketts	Director of Communications
David Fisher	Director of Resources and Services

Finance

The OFT's resource accounts can be found on pages 97 to 128.

Financial management

As part of our work to develop and implement effective planning and financial management systems, we restructured our finance and procurement branch and recruited new professionally qualified finance and procurement staff.

We began a systematic review of how we allocate our budget to each of our service delivery agreement objectives to give us a clear understanding of our fixed and variable costs. This will help us allocate resources to areas where they are needed most.

To achieve value for money in our procurement activity, we improved our systems for selecting suppliers and monitoring and managing their performance.

Compensation for maladministration

In May 2002, we paid substantial compensation to Neville and Bernard Michaelson, the founders of Colorvision, as compensation for maladministration by the OFT in 1995. We paid £3.48 million to Neville Michaelson and £1.25 million to Bernard Michaelson after the Parliamentary Ombudsman found there had been serious failings in procedure when we issued the Michaelsons a 'Minded to Revoke' notice under the Consumer Credit Act 1974. The ex gratia settlement was made in general recognition of the losses the Michaelsons have suffered as a result of the OFT's maladministration.

IT

Our information technology branch continued to develop our IT systems. We extended the IT infrastructure to staff who moved into the three floors of our head office building which we took over from a previous tenant. In addition, around 50 staff are now able to work away from our offices by making use of secure remote access to the OFT network.

We introduced a new telephone call distribution system at our Consumer Credit Licensing Bureau (CCLB) building in Ealing. The CCLB receives around 500 calls a day, and the new system has led to a significant improvement in call-handling efficiency.

Performance and resources

Under our service delivery agreement (SDA) with the Treasury, we had two high-level objectives covering the use of our human, financial, information and physical resources for the financial year 2002-03. These were underpinned by performance targets.

During the financial year, the OFT spent £1.91m on achieving this SDA objective. This money was allocated as follows:

Human resources operations	£1.09m
Learning and development	£0.69m
Other costs	£0.13m

People

Objective

To recruit and develop high-calibre, qualified and well-trained staff who are able to implement the OFT's goal of making markets work well for consumers

<i>Target</i>	<i>Performance</i>
Introduce a revised HR strategy.	<ul style="list-style-type: none"> • We developed a new HR strategy ready for introduction in 2003/04.
Identify the gap in terms of the skills, qualifications and experience required to ensure that the OFT becomes more professional in the way it operates and develop a strategy for bridging the gap.	<ul style="list-style-type: none"> • We carried out a 'skill gap analysis' which is now being used to determine the investment needed in learning and development in 2003/04.
Continue to provide externally validated Competition Act training for staff engaged on competition issues, while at the same time reviewing the content of the training, and its delivery, to ensure that it better meets the needs of staff.	<ul style="list-style-type: none"> • We continued to provide Competition Act training for our staff • We kept the course under review and amended it where required.
Manage the implementation of the Investors in People action plan in order to re-establish full liP status.	<ul style="list-style-type: none"> • We implemented the liP action plan with a view to re-establishing full liP status.

Planning, financial management and use of resources

Objective

To have effective planning and financial management systems; to obtain VFM in all areas of expenditure; and to make best use of our physical and information resources

<i>Target</i>	<i>Performance</i>
Quantify our fixed and variable costs, and develop average unit costs, so as to enable more soundly based decisions on prioritisation of effort and resources in order to set targets for future efficiency gains.	<ul style="list-style-type: none"> We began a review of how budgets are allocated to SDA objectives.
Accommodate within Fleetbank House the forecast growth in numbers through the use of open plan.	<ul style="list-style-type: none"> We accommodated the growth in staff numbers by taking over the tenancy of three more floors of Fleetbank House, our head office building, and converting these floors to open plan.
Extend the IT infrastructure to cater for the occupation of the upper floors of Fleetbank House and the growth in staff numbers without disrupting existing IT services.	<ul style="list-style-type: none"> We extended our IT infrastructure to all staff in Fleetbank House without disruption to IT services.

During the financial year, the OFT spent £14.58m on achieving this SDA objective. This money was allocated as follows:

Accommodation and office support	£10.82m
IT	£2.74m
Finance and other services	£0.92m
Other costs	£0.10m