

The Corporate Plan 2009/10

1. Introduction

The role of the Competition Commission

1. The Competition Commission (CC) is an independent non-departmental public body which, together with the Office of Fair Trading (OFT) and the sector regulators, and subject to appeal to the Competition Appeal Tribunal (CAT), operates the UK's competition regime. The CC's role is to conduct in-depth inquiries into mergers, markets and aspects of the regulation of the major regulated industries (including utilities, postal services, railways, airports, air traffic control and financial services).
2. All our inquiries are undertaken following a reference made to the CC by another authority: most often the OFT (which refers mergers and markets) or one of the sector regulators (which can refer markets within their sectoral jurisdictions or make regulatory references in relation to price controls and other licence modifications). The CC also hears appeals in respect of modifications to the codes covering the energy industry. References can also be made by the Secretary of State for Business, Enterprise and Regulatory Reform (BERR).¹
3. On merger references, the CC is usually required to decide whether a merger results, or is likely to result, in a substantial lessening of competition (in exceptional cases, where the Secretary of State intervenes, we may also have to consider specified public interest considerations). In market investigations we have to decide whether any feature or combination of features in a market prevents, restricts or distorts competition, thus constituting an adverse effect on competition. In either case the CC must seek to remedy any problems it identifies. On regulatory references our role is dictated by the relevant sector-specific legislation. We normally have to decide whether some aspect of the regime is operating against the public interest and would be remedied by a licence amendment or to determine the appropriate level of a price control.

The CC's Key Performance Indicators and aims for 2009/10

4. A strong and effective competition policy remains essential in the current economically turbulent times, so that markets continue to work effectively whenever possible and consumers are not asked to bear any cost of market failure. The CC will continue to contribute to a strong competition enforcement regime, seeking to meet its objectives by providing:
 - high-quality analysis and authoritative decisions;
 - effective and proportionate remedies;
 - open, fair and expeditious procedures; and
 - effective and transparent communication of its decisions.
5. BERR has monitored the CC's effectiveness since April 2005 using the following indicators:

¹BERR is the CC's sponsor department.

- (a) Level of satisfaction of the CC's stakeholders as surveyed by an independent third party, every two years; the most recent survey was conducted in 2007. The next survey will be conducted during 2009.
 - (b) Peer review of the UK competition regime, which assesses the CC's and OFT's performance against the objective of being a world-class competition authority, to be carried out by independent consultants every three years. The most recent review was published in June 2007.
 - (c) CC's financial performance as measured by budget compliance and progress in achieving annual efficiency improvements. This objective will be monitored throughout the year.
6. BERR intend to review these key performance indicators in 2009/10, to ensure they are suitable and to make any adjustments required, in consultation with David Saunders, the new Chief Executive of the CC, appointed on 9 February 2009.
7. The CC each year publishes a quantification of the estimated costs to consumers against which the CC took action (as a rough proxy for benefits for consumers) and compares this with its costs. Further detail is in the CC 2007/08 Annual Report, and the figures will be updated in the 2008/09 Annual Report.

Risks and uncertainties

8. The CC has a risk management process in place for the identification of risks and a strategy for handling the mitigation of these risks. Risk management is devolved to individual work areas, and the most serious risks are discussed by Council. Due to the nature of our role, there are some risks which we have particular difficulty in controlling:
 - The fluctuation in our workload: when inquiries will be referred, what type of inquiry in terms of subject matter and length. This makes it difficult for us to prioritize our workload; once the inquiry is referred we are obliged to complete the work in the statutory timetable.
 - It is difficult to predict which of our decisions will be appealed by the parties, which parties will make the appeal and on what grounds.
 - We also face uncertainty about the CAT's judgement of any appeal, and such a judgment could alter the way that the CC's processes are carried out.

Budgets for 2009/10

9. The CC has been allocated a budget of £20.5 million, from BERR, for the financial year 2009/10. But it is also committed to achieving savings through more efficient working practices where it has identified such gains. For example, the CC has begun a process of sharing its corporate services with other public bodies. The CC expects to receive an income of £350,000 for shared services in 2009/10 from the Legal Services Board (LSB), Security Industry Authority, Sport England and the CAT; as well as provide IT, Finance, HR and Facilities support to the LSB going forward. The CC is also in consultation with other organizations to discuss similar shared services arrangements.
10. Of the CC's total £20.5 million budget, £9.5 million will be allocated to the CC's core work (ie carrying out investigations, remedies and appeals, see pages 3 to 6),

£6 million will be allocated to the supporting work streams, including corporate services functions, such as learning and development, recruitment and IT services (detailed on pages 6 to 17), and £5 million will cover the CC's overheads comprising of accommodation costs. The CC's Head of Finance will monitor the CC's spending against this budget and report both internally and to BERR on a regular basis. All budget holders and Inquiry Directors will be given support, by the Head of Finance, to manage their budgets effectively and ensure the CC is on target to meet this key objective, as well as to seek further savings particularly through more efficient working practices wherever possible.

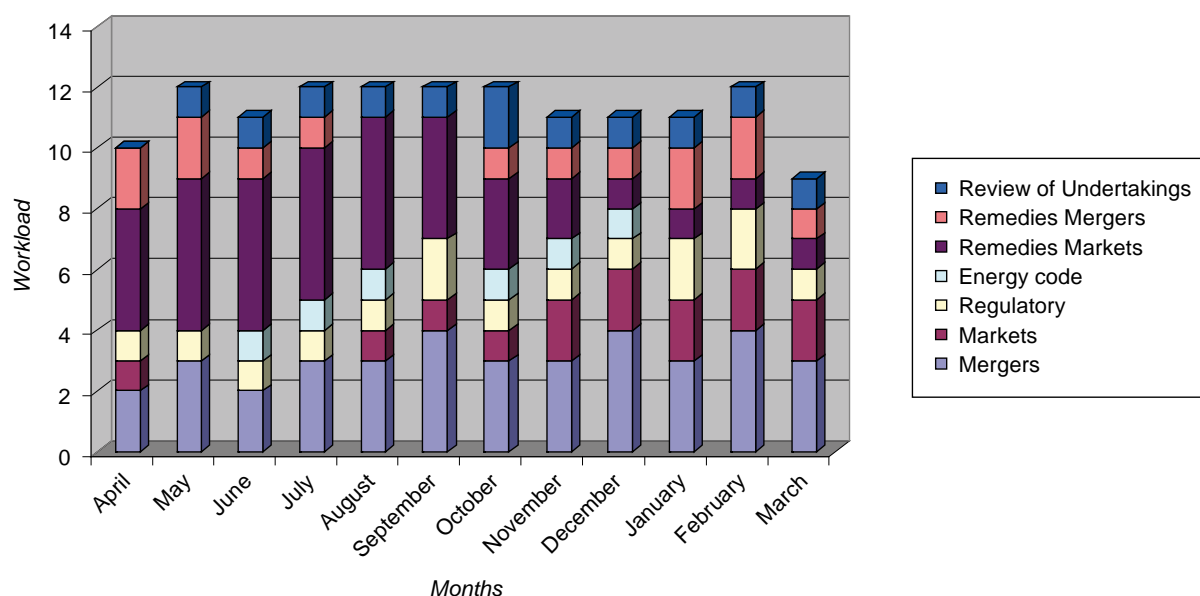
2. The CC's core work and planning assumptions for 2009/10

Managing core work

11. The CC members (including the Chairman and three Deputy Chairmen) are appointed by the Secretary of State for BERR for fixed terms. A Group of members, appointed by the Chairman, is responsible for individual inquiries. The members are supported by administrative and professional staff with a range of expertise including economists, lawyers, accountants and business advisers. Each professional team is led by a Head of Profession.
12. The Senior Director, Inquiries and the individual Inquiry Directors ensure that inquiry teams are appropriately staffed and have the right processes and procedures in place to ensure that inquiries that are referred to us are carried out efficiently and effectively. Progress on inquiries is monitored on a regular basis. Peer reviews conducted by staff, the Chairman and, where appropriate, external experts help to ensure robust and consistent decision-making across inquiries, and are normally carried out ahead of publication of provisional findings. There is a formal process of evaluation at the end of each inquiry.
13. The following chart shows an estimate, for planning purposes, of the CC's total inquiry workload for 2009/10 by category of inquiry and post-inquiry work. The tables on the following pages give a more detailed breakdown of this information. The units of workload represent different pieces of work, but do not reflect the amount they will cost or the resources allocated. Due to the unpredictable referral of new inquiries, it is unlikely that this chart will represent the work that is, in practice, referred, but is the best estimate we have with current information.
14. In terms of budget allocation, of the £9.5 million total budget for core work in 2009/10, we have allocated £2.5 million for merger inquiries, £2.5 million for market investigations, £2.5 million for remedies implementation (on merger inquiries and market investigations), and £2 million for other inquiry work, ie regulatory inquiries, energy code modifications, review of undertakings and appeals to our decisions. The chart does not include a planning assumption for appeals.

FIGURE 1

Inquiry workload assumptions for 2009/10



15. The following three sections show a more detailed working estimate for workload and budget forecasting for 2009/10, but will be revised as the year progresses.

(a) *Merger Inquiries, Market Investigations and Regulatory Inquiries*

16. The CC is a 'phase two' competition authority, which receives all its work on reference from a 'phase one' authority and must investigate and report on anything referred to it within strict statutory deadlines. It therefore has no means of controlling the volume or type of work it receives and limited scope to control the timescale in which work is handled. This makes it difficult to predict how many inquiries will be referred, when they will arrive and how much resource each will need. We are currently seeking to become more flexible in our approach, wherever possible completing inquiries in a shorter timeframe, thereby reducing costs, without damaging the quality of our work or reducing the effectiveness of our investigations.

TABLE 1 **Current inquiry workload (as of 1 April 2009)**

<i>Type of work</i>	<i>Statutory deadline</i>
Capita Group plc/IBS OPENSsystems plc merger inquiry	5 May 2009
Holland and Barratt/Julian Graves merger inquiry	3 September 2009
Rolling Stock Leasing Market Investigation	25 April 2009
Sutton and East Surrey Water plc price determination	5 September 2009

TABLE 2 Assumptions for new inquiry work 2009/10

<i>Type of work</i>	<i>Predicting to receive in 2009/10</i>	<i>Likely referring body</i>	<i>Length of time it is expected to complete</i>
Merger Inquiries (to be investigated fully and not cancelled)	Six to eight	OFT	Maximum of 24 weeks to publish final report with exceptional extensions of up to 8 weeks.
Market Investigations (MIR)	At least two	OFT	At least one MIR to be completed in less than 12 months.* As least one MIR to be completed within 18 months.
Regulatory inquiries	At least two	A sector regulator, such as Ofgem or Ofwat	Within 6 months.
Energy Code Modification	At least two	The appellant	Maximum of 12 weeks to publish decision with exceptional extensions of up to 2 weeks.

*Provided the reference is of a small or tightly defined area of a market, and can therefore be completed within a shorter timeframe.

17. With the exception of the two-year statutory deadline for market investigations, there is provision for extension to the timescales set out. However, we will limit extensions as far as possible consistent with achieving a high-quality, robust outcome.

(b) Remedies implementation and review

18. If the CC reaches an adverse finding, it must seek to remedy any problems it identifies. The remedy process begins during the inquiry, and enters an implementation phase once the final report has been published. There is no statutory timeframe for this implementation phase, though timely implementation of our remedies is a priority for the CC. The scope and scale of implementation can vary substantially depending on the nature of the remedy and on the number of parties involved. It can therefore be difficult accurately to quantify the remedies work likely to be carried out, including the resources needed or the time it will take to conclude a case following publication of the final report. In the case of straightforward merger divestitures, the CC will generally seek to obtain final undertakings within eight weeks of publication of the final report. However, obtaining undertakings or making Orders following more complex merger and market investigation remedies can take significantly longer.
19. In addition, the CC has responsibilities in relation to reviews of undertakings or Orders accepted or imposed following earlier merger or market investigations. The OFT has a statutory duty to keep these undertakings and Orders under review and will advise the CC as to whether there has been a relevant change of circumstances. The CC is then responsible for deciding whether to vary or terminate these undertakings or Orders. Again, the scope and scale of these reviews can vary substantially from case to case.
20. Our experience is that the remedies implementation and review can be complex and staff intensive, especially in relation to the larger market investigations. This work places particular requirements on certain professional groups within the CC, notably business advisers and legal advisers.

TABLE 3 **Ongoing remedies implementation and assumptions for 2009/10**

<i>Name or type of inquiry</i>	<i>Time it is expected to take to complete from 1 April 2009*</i>
Groceries MIR	5 months
PPI MIR	6 months†
BAA MIR	8 months‡
Rolling Stock Leasing MIR	Likely to continue throughout the year-includes supervising divestiture of airports
Project 'Kangaroo' merger inquiry	6 months (after publishing final report)
Nufarm/AH Marks Merger inquiry	2 months
2 new mergers	4 months
2 new reviews of undertakings and Orders	5 months after publishing final report
	6 months after receiving advice from OFT

*This planning assumption does not take account of appeals against our decisions.

†In the light of the judgments of the CAT of 4 March 2009 and 3 April 2009, one aspect of the remedies package has been remitted to the CC for reconsideration within a six-month period. The estimate for five-months relates to those remedies which the CC is responsible for implementing.

‡On 30 March 2009 Barclays Bank PLC appealed certain findings of the CC's MIR report on PPI to the CAT.

(c) Appeals

21. All our decisions can be appealed either to the CAT or to the High Court by way of judicial review. It is difficult to predict which decisions will be appealed and the workload arising from appeals is therefore very difficult to forecast. The resource demands of appeals depend on the number and complexity of issues raised, the number of parties and the complexity of the underlying decision and supporting evidence.
22. For planning purposes, it is assumed that there will be a further appeal in the CAT in the new financial year. In addition, one matter previously before the CAT has been appealed to the Court of Appeal. The planning assumption is that one further matter may also go to the Court of Appeal.

Risks

23. The main risk to completing our core workload is related to the difficulty in predicting when inquiries will be referred and how resource intensive they will become. To manage this risk, staff and financial resources need to adapt as the inflow of work fluctuates. For example, we are able to recruit and release temporary staff at short notice when workload increases or decreases unexpectedly. We also find it mutually beneficial to organize secondments for CC staff to work at the OFT and other sector regulators, and vice versa, during peaks and troughs in workload. The risk needs to be carefully managed by monitoring predictions in workload on a monthly basis, and ensuring we have the right balance of staff and budget available to meet the demands of the inquiry, remedies implementation or appeal.

3. The corporate governance structure supporting the CC's core work

24. The CC's core work is supported by five work streams. These work streams provide a framework for planning and governance, which will develop the CC's performance of its core work and contribute to delivering an effective competition regime. Each work stream is led by at least one of the Senior Management Team, who reports to a CC committee, which is ultimately answerable to the CC's Council. £11 million (including CC overheads) has been allocated in the budget to the work streams.
25. The five work streams' objectives are to:
- (a) Make our investigations more efficient and effective.
 - (b) Make the right decisions, including Cost of Capital and finance decisions.
 - (c) Take the right remedial action.
 - (d) Make effective contributions to the development of competition policy and practice in the UK, the EU and internationally.
 - (e) Provide efficient and effective Corporate Services support.
26. The following sections provide more detailed information about activities within each work stream for the year ahead. In each case, delivery of some elements of the work programme and level of resource will depend on core inquiry workload.

Work stream strategic objective 1: Make our investigations more efficient and effective

Persons responsible: Senior Director, Inquiries (Rachel Merelie) and the Chief Legal Adviser (Clare Potter)

27. Last year the CC reported on the findings of its Council's Review. This was a comprehensive review of the way the CC fulfils its role. The review concluded that the organization was more than fit for purpose, but recommended a number of incremental changes which build on its proven strengths, including practical improvements in the conduct of inquiries, better use of members and staff, and improved evidence collection, processing and analysis.
28. Over the course of 2008, we have looked to incorporate the proposed changes into our merger inquiry and market investigation processes. In particular, we have piloted improved methods of working on a number of recent merger inquiries. We are also looking at how we can make our market investigations more flexible, shortening timescales and focusing on particular issues as appropriate. We are working alongside the OFT and sector regulators to ensure that the scope and potential of market investigations is understood and appropriate use is made of them. In particular, we have set up a working group with the OFT to look into this in more detail. The group meets monthly and reports to the OFT Board and CC Council every six months on progress. Any changes to our current ways of working will be communicated to interested parties during the early months of the new financial year.
29. Our main aim remains to *reach robust and authoritative decisions* by the best methods and processes. The Senior Director, Inquiries, and the Chief Legal Adviser work with the seven Inquiry Directors to implement these improvements across inquiries and report to the CC's Practices and Procedures Group and the Council.

30. This work stream seeks to:
- (a) Make our investigations more efficient and effective by:
 - (i) earlier identification of possible theories of harm;
 - (ii) more focused information and data gathering; and
 - (iii) greater use of unmediated information (particularly electronic data).
 - (b) Improve clarity and communication of CC findings, decisions, opinions and precedents. Ensure reports are concise, accessible and readable, but that they continue to contain our decisions and the reasons for them.
 - (c) Frame and apply remedies that are focused, appropriate and proportionate (see work stream 3).
 - (d) Make the best use of resources, for example by increasing the use of more flexible inquiry teams with good team working and clear shared goals. Within an Inquiry Group, Members should be more focused on giving strategic direction and taking key decisions, with well-integrated inquiry teams undertaking the inquiry process on a day-to-day basis.
 - (e) Share best practice internally to develop systems and a culture that encourage a process of continuous improvement. In order to ensure that these objectives are achieved consistently, we need to:
 - (i) ensure that best practice is reflected in procedural rules and guidance for members, staff and parties to investigations; and
 - (ii) review periodically both our procedures and the documentation which records them.
31. In seeking to make these improvements we will want to retain *our distinctive strengths* of thoroughness, transparency, independence, using panels of decision makers who are independent, accessible and actively involved in the key stages of our investigations.

Budgets and resources

32. The Inquiry Directors and the Senior Director, Inquiries, meet on a monthly basis to share knowledge and best practices on their inquiries. The Practices and Procedures Group meets about six times a year; in addition to the Chairman and Deputy Chairmen, there are three other CC members on the group supported by approximately six members of staff. The Group oversees specific work, for example on revision of mergers and markets procedure guidelines and the treatment of evidence. It is anticipated that in the early part of the financial year at least 20 to 25 days a month of staff time will be devoted to the work stream. This reflects work on merger procedure guidance and work on reviewing market investigation procedure to facilitate shorter investigations in appropriate markets.

Objectives

33. The table below details the objectives falling under work stream 1; these objectives are ranked in order of priority, although all objectives are considered important and

are interlinked. All these objectives are new for this year, as the format of this work stream has been modified with changes in the CC's management structure.

TABLE 4

<i>Number</i>	<i>Objective</i>	<i>Measure/activity</i>	<i>Time</i>
1.1	To work with the OFT to improve the market investigation regime. To pilot a much quicker market investigation process on an appropriate small market.	Depending on markets referred to CC, complete one small market investigation within 12 months or one more standard market in 18 months.	At the end of the investigation.
1.2	To run more efficient merger inquiries and market investigations by identifying and implementing best practice in processes and procedures. Improve clarity and communication of CC findings and decisions.	Reduction in the number of group meetings per merger inquiry. Update staff handbooks for merger and market investigations. Obtain feedback from legal firms and economic consultancies. Produce precise, well-reasoned findings in concise reports.	Ongoing.
1.3	To have in place detailed public guidance on merger procedure.	Revised and expanded guidance published following consultation.	September 2009.
1.4	To standardize best practice on transparency and disclosure of evidence to achieve an appropriate balance between fairness and cost and burden.	CC Guidance to groups on disclosure updated.	September 2009.
1.5	To ensure key aspects of conduct of regulatory inquiries are put into external and staff guidance.	Outline public guidance on conduct of regulatory inquiries issued. Procedural guidance for staff and templates for regulatory inquiries in place.	July 2009.

Risks

34. The main risks to the achievement of these objectives is that inquiries and litigation, both of which operate to tight and inflexible deadlines, divert resources from reviewing procedures and revising guidance, and core work takes priority; and that in relation to piloting quicker procedures, no reference is forthcoming.
35. Work streams 2 and 3 (on our analysis, finance decisions and remedies) help to mitigate risks to the inquiry efficiency, quality of CC analysis and decisions. The leaders of these work streams take responsibility for ensuring that we have in place skilled staff, excellent analytical processes and tools, and appropriate remedies expertise.

Work stream strategic objective 2: Make the right decisions

Person responsible: Chief Economist (when appointed) and Deputy Directors of Financial Analysis (Lucy Beverley and Adam Cooper)

36. The aim of this work stream is to ensure that the CC has processes in place to improve the quality of the CC's analysis to support decision-making. The Chief Economist is responsible for ensuring the right analysis is undertaken, and reports to the Analysis Group and Council for implementing these activities. In particular, this work stream seeks to:

- (a) consider whether formal evaluations and experience in recent inquiries suggest that the CC might analyse its cases in better or different ways;
- (b) carry out or commission evaluations and other analysis of any improvements to decision-making that seem necessary, whether because of concerns arising in inquiries or a more general need to maintain the CC's capability;
- (c) decide on what the CC's approach should be, where required, and update relevant published guidance where necessary;
- (d) consider the costs and benefits of the CC's activities; and
- (e) disseminate best practice, and papers on particular issues arising.

Cost of Capital Advisory Panel

37. The Deputy Director of Financial Analysis (Lucy Beverley) is responsible for managing the Cost of Capital Advisory Panel (CCAP). The CCAP was established in 2006 to ensure that the CC would make the right decisions on cost of capital and finance decisions. The CCAP ensures that inquiry groups have access to the appropriate evidence and expertise in order to make robust and accurate estimates of the cost of capital for market and regulatory inquiries.
38. The CCAP acts in an advisory capacity. It:
- considers issues wider than the cost of capital, such as financing structures, investment incentives, financeability, and matters relating to measurement of the cost of capital;
 - discusses 'hot topics' regarding the cost of capital and finance, and considers their impact on our work;
 - reviews work on the cost of capital undertaken by inquiry groups, and submissions from parties; and
 - shares knowledge and information about the panel and its work with CC Members and staff.
39. In addition, a member of the CCAP may attend inquiry group meetings to discuss cost of capital issues.

Budgets and Resources

40. The Analysis Group meets around six times a year, and also considers issues between meetings. It is chaired by the CC Chairman; Deputy Chairmen and the Chief Executive are also members of the Group. The Group includes three other CC members and up to 12 senior staff of various disciplines. The work of the Analysis Group focuses the strategic direction for the work that is carried out in this area. Staff (particularly economists and lawyers) spend time on, for example, peer review on inquiries, commissioning and steering work undertaken by consultants and academic studies and producing and collating evaluations and quantification work for CC inquiries, in addition to the more general role of participating in conferences, sharing work with colleagues elsewhere in Government and the wider intellectual community.

41. The CCAP consists of a Deputy Chairman and six members with experience of cost of capital and financing matters. Staff (principally three to four accountants and economists) also attend the meetings and may prepare papers for presentation. The frequency of CCAP meetings depends on the inquiries being undertaken where there are cost of capital issues.

Objectives

42. The table below sets out the key objectives for 2009/10 and how these objectives will be achieved. These objectives are ranked in order of priority, although all objectives are considered important and are linked. These objectives have been carried over from the previous financial year.

TABLE 5

<i>Number</i>	<i>Objective</i>	<i>Measure/activity</i>	<i>Time</i>
2.1	To assist CC staff and members to maintain and develop the effectiveness of competition analysis.	<ul style="list-style-type: none"> • Help design and support internal training in competition policy, including competition induction for more junior staff to increase their engagement with inquiry work and to seek opportunities to share training with other organizations that have similar needs. • Conduct internal seminars for staff and members on cases and new developments in competition policy. • Run at least ten seminars by external speakers during the year. • Conduct 'analysis seminar' meetings of staff to discuss issues of common concern. 	Throughout 2009/10.
2.2	To conduct internal evaluation of analysis conducted in all completed inquiries.	Seek feedback from staff and members for post-inquiry review.	End of each inquiry.
2.3	To modify CC analysis, guidance and guidelines, when appropriate.	<p>Publish revised CC2 merger guidelines, as a joint document with OFT.</p> <p>Begin revision of CC3 market investigation guidelines in consultation with OFT.</p>	<p>June 2009.</p> <p>Begin before end 2009 and conclude in 2010/11</p>
2.4	To commission reviews by an external body of the CC's overall effectiveness.	As in previous years, commission up to two 'analytical procedures reviews' of aspects of the CC's work, from consultants or academics.	One by September 2009, the other by end 2009/10.
2.5	To evaluate the economic benefits provided by the CC's inquiries.	Quantify the 'benefits' of adverse findings by the CC and publish in coordination with OFT whenever possible.	End of each inquiry, then publish annual sum to accompany CC annual report.
2.6	To publicize the CC's analytical approach and new thinking in the area of competition analysis.	<p>Publish at least two occasional papers on website written by CC staff.</p> <p>Participate in public seminars and presentations.</p>	By end of 2009/10.

Risks

43. In past years, the main risk to these objectives has been that a heavy workload puts pressure on staff time to carry them out. This seems less likely for 2009/10. It is possible that the need to second staff to other organizations will make it harder to sustain the breadth of the Analysis Group and CCAP's work. Another risk is the interim period before the new Chief Economist is in post—involvement by the Directors of Economic Analysis and the Head of Policy Analysis will help mitigate

this. For about half of 2008/09, a sub-group of the Analysis Group concentrated on revising the merger guidelines. In 2009/10 the rather more complex task of revising the market investigation guidelines will occupy the Group and the legal and economic staff.

Work stream strategic objective 3: Take the right remedial action

Person responsible: Chief Business Adviser and Head of Remedies (David Roberts)

44. The aim of this work stream is to develop the CC's remedies approach and procedures in accordance with the highest standards and to ensure effective sharing of remedies expertise and learning points with members and staff. Following the publication of the CC's merger remedy guidance in 2008/09, a major priority for 2009/10 is to ensure that the matters contained in this guidance are reflected in the CC's training and resources and applied to inquiries.
45. In pursuing the overall aim set out above, the CC's Remedies Standing Group (RSG) considers issues of policy, reviews learning points arising from current inquiries and considers findings from remedies research and developments in international practice.

Budgets and resources

46. The RSG, consisting of the Chairman, Deputy Chairmen and three other CC members with relevant staff in attendance, is responsible for the governance of this work stream. The RSG has six scheduled meetings a year. This is supplemented by additional meetings when necessary. Activities listed below are likely to require the equivalent of 1 to 1.5 full-time equivalent staff in total but this requirement is spread among several staff members with particular responsibility for remedies.

Objectives

47. The table below sets out the key objectives for 2009/10 and how these objectives will be achieved. These objectives are ranked in order of priority, although all objectives are considered important and are linked. These objectives have been carried over from the previous financial year.

TABLE 6

<i>Number</i>	<i>Objective</i>	<i>Measure/activity</i>	<i>Time</i>
3.1	To ensure that experience gained on current inquiries is effectively disseminated.	The RSG reviews remedies learning points on conclusion of all relevant cases following acceptance of final undertakings. These are reflected, where necessary in current procedures, in the Remedies Toolkit (see below) and amended guidance and members' seminars.	At end of every inquiry. Ongoing.
3.2	To develop training and reinforce guidance.	Following publication of the new merger remedies guidance in 2008, further emphasis will be placed on training for members and staff on the CC's remedies approach in 2009/10. This will include use of the revised Remedies Toolkit as detailed below.	Throughout 2009/10.
3.3	To improve remedies resources (1).	The Remedies Toolkit is a living document that provides internal guidance on the design and implementation of remedies and supports the CC's externally published guidance. The Remedies Toolkit will be substantially revised to incorporate the new merger remedies guidance and further case study research.	By end June 2009.
3.4	To improve remedies resources (2).	To streamline the implementation of remedies the CC aims to introduce for consultation: <ul style="list-style-type: none"> • pro-forma divestiture undertakings; and • pro-forma trustee mandates. 	September 2009. December 2009.
3.5	To research the effectiveness of UK remedies.	Ongoing programme of reviewing the outcomes of remedies in past cases to establish learning points from these cases and whether remedies performed as intended. Research into two further Enterprise Act (EA) merger case studies. Participation on steering committee of OFT projects on effectiveness of remedies. Research into an EA market investigation.	By the end of September 2009. By the end of December 2009.
3.6	To communicate CC approach and policy on remedies to UK stakeholder community.	Presenting on remedies issues and policy at external events (eg conferences and adviser events).	Ongoing.
3.7	To share remedies expertise with other competition agencies.	Supporting International Competition Network and OECD events. Ongoing dialogue with DG COMP and other overseas competition authorities.	Ongoing.

Risk

48. A major risk to these objectives is that a heavy workload on remedies cases, particularly implementation of remedies on market investigations, diverts resources from this work. One effect of this risk would be to delay upgrades to procedures and expertise with resulting adverse effects on future inquiries. It is noteworthy that the peak workload on remedies occurs in the later stages of inquiries prior to and following the publication of the final report. Thus remedies workload may continue at a high level even though a peak in workload on the diagnostic phases of cases has passed.

49. There is also a possible risk that a reduced level of references requiring remedies input may lead to a dispersal of remedies expertise as persons with relevant remedies experience and expertise move from the CC.

Work stream strategic objective 4: Make effective contributions to the development of competition policy and practice in the UK, the EU and internationally

Persons responsible: Director of Policy (Anthony Pygram) with Head of International (Jonathan Blackburn)

50. The CC is adopting a more structured and strategic approach to communication, and will continue to look for ways in which it can communicate its key messages to competition practitioners, the business community and consumers through a variety of methods—including hosting and participating in seminars and competition events and engaging with the media on inquiry developments.
51. The CC continues to work closely with the OFT, the sector regulators, BERR, HM Treasury and other government departments on the development of competition policy and procedure, as well as with lawyers and economists in private practice and academic institutions. Over the year ahead the CC will work closely with the OFT in particular on optimizing the performance of the market investigation regime. This work will focus on how to streamline our processes, so as to make them more flexible and speedy where appropriate. The CC will also work with the OFT on ideas generation, monitoring and amendment of behavioural remedies; and will strive to improve communication of how the UK competition bodies relate to one another and operate, as mentioned in work stream one.
52. The CC and the OFT will also work closely together to streamline the handover of merger and market investigations from the OFT to the CC, and to consider more generally how the UK merger regime is operating and consider whether any further improvements to the functioning and interaction of the two bodies are required in light of this.
53. In 2009/10 the CC will maintain involvement in and support the international competition community, including OECD, the ICN and where appropriate UNCTAD in the development of policy relevant to the CC's role. The CC will also continue to respond to requests for assistance from overseas authorities and to develop strong bilateral links. The CC recognizes the benefits of developing strong international links through these networks and bilateral meetings and of sharing lessons learned and best practice in procedures and analysis with other competition authorities. As a consequence of these contacts, the CC discusses relevant cases with overseas authorities more frequently (so far as constraints on confidential information permit) to improve the quality of its decisions.

Budgets and resources

54. This work stream is the responsibility of the Director of Policy, working closely with the Head of International who supervises the work described in the paragraph above. The Chairman, three Deputy Chairmen, Chief Executive and other senior staff also contribute in varying degrees to the promotion and communication of the CC's work, within the framework of the Communication Strategy Group, which meets bi-monthly, and the Communications Group, which meets once a week to discuss publicity and press relevant to the CC and its work. In undertaking this work stream the Director of Policy is supported by a lawyer, an economist and the Press Office.

Objectives

55. The table below sets out the key objectives for 2009/10 and how these objectives will be achieved. These objectives are ranked in order of priority, although all objectives are considered important and are linked.

TABLE 7

<i>Number</i>	<i>Objectives</i>	<i>Measure/activity</i>	<i>Time</i>
4.1	To contribute effectively to competition policy and procedural issues, where the CC has expertise, in order to improve the operation of the UK competition regime.	Those in senior positions and, where appropriate, CC staff are kept fully informed of and involved in policy matters. Effective communication achieved with other government departments.	Ongoing.
4.2	To promote an understanding of the CC's work and the benefits of competition to UK stakeholders, including the business community and consumers.	An effective and agreed communications strategy. Work under way to draw up structured programme of engagement with CC stakeholders. Ongoing improvements to the CC website.	Ongoing.
4.3	To contribute effectively to international competition networks (eg OECD, ICN) in areas where the CC has expertise and to develop competition policy and share lessons learnt and best practice.	Attendance at key competition events and high-quality contributions to papers and presentations where appropriate (ie on matters where CC has expertise). Successful hosting of events at the CC to share best practice with overseas competition authorities.	Ongoing.
4.4	To develop the CC's bilateral relations with overseas competition authorities both within and outside Europe, so as to increase cooperation on similar cases, as appropriate, and to share lessons learnt.	Development of CC's overseas links: effective visits programme for senior staff and effective hosting of visits from overseas authorities. Effective contribution to overseas requests for information.	Ongoing.

Risks

56. Internal risks to achieving the CC's policy objectives include (although it is not an immediate risk) having a heavy caseload so that professional staff are not able to devote sufficient time to preparing policy documents or attending meetings at the domestic or international level. External risks include UK government departments or overseas competition authorities having insufficient resources to devote to cooperating with the CC.

Work stream strategic objective 5: Provide efficient and effective Corporate Services support

Person responsible: Director of Corporate Services (Rebecca Lawrence)

57. The aim of work stream 5 is to ensure effective corporate service support to the rest of the organization. The Director of Corporate Services manages this work stream and reports to the Operations Board. Additionally there is accountability to the Council and the Audit Committee (in particular on risk management and security) for its delivery.

Budgets and resources

58. The corporate services department consists of approximately 50 staff working in IT (including the Inquiry Support Unit, Information Centre and Publishing), Facilities, Security, Finance, Procurement, Human Resources and internal communications

(HR), Planning and the Members Support Unit. The Corporate Services Management Team meets on a monthly basis to ensure that key objectives are delivered.

59. The Director of Corporate Services is responsible for a budget of £9.3 million a year. Approximately £2.1 million is spent on staffing and the remaining £7.2 million is spent on running costs, including accommodation (£5 million) and a range of services including IT remote access, training, publication of documents and catering, as well as the projects mentioned below. Corporate Services has continued to make savings year on year; in 2008/09 Corporate Services made £280,000 in savings, or 5 per cent. Corporate services staff account for 20 per cent of the CC's total salary budget. Additionally the corporate services team will be generating £350,000 income through the provision of shared services.

Objectives

60. Table 5 gives details of the key objectives of work stream 5 for 2009/10. These objectives are ranked in order of priority, although all objectives are considered important and are intrinsically interlinked.

TABLE 8

<i>Number</i>	<i>Objectives</i>	<i>Measure/activity</i>	<i>Responsibility</i>	<i>Time</i>
5.1	To comply with Cabinet Office guidance on data-handling procedures.	<ul style="list-style-type: none"> Implement new guidance as further information is received from Cabinet Office. Have regular dialogue with managers with responsibilities for data handling; by providing training and updates on key changes as and when needed to all staff. 	Director of Corporate Services.	Throughout 2009/10.
5.2	To comply with Security Policy Framework.	Develop a new CC security policy and manual. Once implemented have regular reviews of guidance and effective promotion and dissemination of the policy guidance and procedures.	Director of Corporate Services.	Throughout 2009/10.
5.3	To achieve best value for money in terms of services provided to and by the CC.	Achieved through early consultation with external service providers and customers.	Head of Facilities and Head of Finance.	Throughout 2009/10.
5.4	To explore opportunities for entering into Shared Service Agreements.	Achieved through consultation and agreement with sub-tenants and other Government Departments.	Head of Facilities and Head of Finance.	Throughout 2009/10.
5.5	To achieve British Standards Institute accreditation for Business Continuity Group.	Implement the technology and processes required to ensure that the CC's data is secure and that in the event of a business continuity situation the organization can be up and working again with minimal inconvenience.	Head of IT.	End of 2009/10.
5.6	To achieve ISO 9001 (a quality management standard) accreditation in the information services team.	Accreditation will provide improvements to our information services team, and enable us to better understand our processes for delivering products and services to the staff it supports.	Head of IT.	End of 2009/10.
5.7	To ensure newly recruited members are fully inducted into the role.	<ul style="list-style-type: none"> A two-day induction programme will be created and implemented. Ongoing support will be provided with a 'buddy' system linking experienced members with new recruits. 	Head of Planning.	Early 2009. Throughout 2009/10.
5.8	To improve management capability throughout the CC.	<ul style="list-style-type: none"> Introduce a new pay system which allows the CC to pay staff in different areas rates reflective of the market. Continue to implement the Management Development Programme to support managers in developing against the competency framework. Implement the Staff Welfare Strategy to ensure that the continued well-being of staff is a primary concern. 	Head of HR.	Throughout 2009/10.

<i>Number</i>	<i>Objectives</i>	<i>Measure/activity</i>	<i>Responsibility</i>	<i>Time</i>
5.9	To put in place harmonized conditions of service which are in line with employment legislation and best practice.	<ul style="list-style-type: none"> • Complete a project to update the terms and conditions of staff and publish them on Intranet. • Communicate with staff about the changes so they are informed on how they might affect them. <p>Develop an HR procedures handbook to help HR staff to give a consistent service.</p>	Head of HR.	Throughout 2009/10.

Risks

61. The main risks facing corporate services in 2009/10 are that:

- The Corporate Services team is under pressure to deliver further savings in its department whilst maintaining a high-quality support service to the organization. To mitigate this risk the CC will continue to provide shared services to a number of its tenants within the same building.
- It may be difficult to implement all the Cabinet Office data handling guidance and revised security guidance by the deadlines provided, as not all the implementation information has been made available by the Cabinet Office. Corporate services managers will aim to keep progress on implementation as up to date as possible.