Statement to parliament: Update on DFID's work on safeguarding

Ahead of the forthcoming anniversary of the first media stories about the Haiti case, and further to my ministerial statement of 25 October, I would like to update the House on preventing and responding to sexual exploitation and abuse and sexual harassment in the aid sector.

1. Delivering 18 October summit commitments

My last statement was shortly after the international summit I hosted in London on 18 October where donors representing 90% of global Official Development Assistance, NGOs, suppliers, multilateral organisations and others agreed robust actions to deliver root to branch change in the way the international aid sector tackles these issues and I announced specific initiatives supported by DFID.

The five-year project with Interpol to stop perpetrators of sexual exploitation, abuse and harassment moving around the aid sector is getting underway. It will strengthen and digitise criminal record checks, improve information sharing between countries and train staff, so ensuring a more robust law enforcement response against predatory individuals.

The Disclosure of Misconduct Scheme will prevent individuals with a record of misconduct from moving around the NGO sector undetected. Fuller details were published in December and more NGOs are signing up.

DFID is supporting work to verify that our partners meet the global standards on preventing and responding to sexual exploitation and abuse as agreed by donors agreed in October.

The Resource and Support Hub will provide guidance, training and support on safeguarding to smaller charities which are those most likely to need it. There has been strong interest from potential suppliers and DFID expects to sign a multi-year contract by August.

We are working with the UN Victims' Rights Advocate to develop a statement of victims' rights for publication this year which will help survivors of abuse and exploitation better understand the redress and support available to them.

In November, the UK NGO platform Bond incorporated the UK NGO summit commitments into the Bond Charter, so covering over 450 organisations.

DFID is working with Dutch counterparts on an action plan for the ombudsman proposal.

2. Recent cases

The case at the International Planned Parenthood Federation underlines the

value of the much tougher safeguarding standards I introduced last year. Those standards have required the reporting of this case and robust action to be taken. The case is ongoing and DFID's Safeguarding Investigations Team created last year is looking at it in more detail.

Charity Commission figures show an increase in safeguarding cases reported by charities last year. I expect to continue to see more reports as people feel safer to speak up and organisations take their obligations seriously. DFID continues to coordinate closely with the National Crime Agency on shared objectives. The draft Domestic Abuse Bill proposes that more types of sexual offences committed abroad by a UK national can be prosecuted in England and Wales. We have recently seen other countries take action against suspected criminal sexual activity in the aid sector.

3. Looking ahead

DFID continues to meet regularly with representatives from across the aid sector and are working with them to develop appropriate accountability mechanisms for the commitments announced at October's summit.

I plan to participate in meetings on safeguarding at the UN Commission on the Status of Women in March, the World Bank Spring Meetings in April and the UN General Assembly in September to drive forward progress. DFID is leading a process in the OECD to agree a mechanism this year to monitor the performance of all 30 major global donors on safeguarding.

I welcome the International Development Committee's continuing focus on safeguarding and look forward to my discussion with them in May. DFID continues to work across Government to drive a coherent approach to safeguarding in ODA projects and to improve the capability of staff.

I sent a clear message a year ago that the whole sector must make zero tolerance on sexual exploitation and abuse and sexual harassment a reality. Today, I repeat that message.

Work led by DFID in the past year has generated good momentum, domestically and internationally. But there is much more to do, and we will continue to lead the way and work with others in the months and years ahead.

Press release: Parole Board welcomes findings from MoJ review, including the introduction of a reconsideration

mechanism

The Parole Board welcomes the findings from the Review of the Parole Board rules and Reconsideration Mechanism, which were announced today by the Secretary of State for Justice.

Caroline Corby, Chair of the Parole Board said:

“The outcome of the recent consultation and rules review builds on the work already undertaken to improve transparency and efficiency of the parole system.

“I am particularly pleased to see that the new reconsideration mechanism proposed is workable and will be properly resourced. We will be working with the Ministry of Justice to create and deliver a service that is transparent, timely and straight forward for victims and prisoners to use on the rare occasion that cases need to be looked at again.

“We are always striving to improve how we work and the upcoming Tailored Review provides us an opportunity to evaluate the way we are currently set up, ensuring that we have the most fair and independent parole system possible.”

What is the reconsideration mechanism?

The reconsideration mechanism will allow any party to the hearing to be able to ask for a case to be reconsidered if they believe a parole decision was unlawful, for example if:

- Proper procedures weren’t followed;
- The law has been wrongly applied;
- Important information wasn’t available to the panel at the time;
- The decision was unreasonable giving the information available to the Parole Board

A victim or a member of the public can ask the Secretary of State to make an application on their behalf, if they believe the decision was unlawful, but it is up to the Secretary of State to refer cases to the Parole Board

The reconsideration mechanism only applies to indeterminate and Extended Sentences.

Judicial Review is still available, but the aim is to provide a quick and free service to allow for problems to be resolved without the need to go to Court.

This mechanism isn’t available yet, but more information will be provided in due course.

For more information – please go to the MOJ website.

What is the Tailored Review?

- This is an opportunity for the Ministry of Justice to look at whether the Parole Board should continue to sit as an non-departmental public body.

- It is a Cabinet Office requirement to review public bodies during each Parliament. The Parole Board was last reviewed in 2014/15 and would need to be reviewed again before the end of 2019/20.

- It will be looking to bolster the 'court-like' status of the Parole Board.

- It will consider internal and external accountability, including governance arrangements.

- The Parole Board will be publishing its response to the review in due course.

For more information, please see the MOJ announcement on GOV.UK.

News story: Crossing The Gap – market exploration

On behalf of the British Army, we are trying to better understand the current market capability in meeting this challenge in order to fully scope and better design a potential future concept demonstration event or competition. This will provide us with an understanding of what potential gap crossing solutions already exist as well as emerging novel solutions. This request for information is not a commitment to subsequently launch a formal DASA competition.

Background

Gap crossing is critical in maintaining military mobility. In the past this capability has been delivered by specialist equipment and systems, however it is perceived that with changes in materials and manufacturing techniques, combined with the changing operational landscape, there is an opportunity to do things differently. The current capability is delivered through obstacle crossing techniques including the use of fascine (bundled plastic pipes or tubes tethered together, used to cross natural or man-made gaps which could

be dry or wet) and conventional bridging.

What we want

Technologies with the potential to meet the system characteristics highlighted below (either fully or partially).

Requirement – A single system enabling both tracked and wheeled platforms to transit the following:

- A dry gap – no more than 3m deep and of a width between 3-6 m
- A wet gap – water of an unspecified depth and flow rate not exceeding 2 m/s, with a width between 3-6 m.

System characteristics

Essential	Desirable
Capable of bearing a Military Load Class (MLC) of up to 100(T).	Rapidly deployable, with a target time of 3 minutes.
Remotely deployable.	If non-recoverable, it should not present an environmental hazard.
Enables transit for vehicles with a range of track width (2.0 m – 4.2 m).	If deployed from a vehicle, it should be capable of being stowed and deployed from multiple different platform types.
Easily transportable without adversely affecting vehicle operability (lethality / survivability / mobility), if the solution is to be stowed on a vehicle.	If recoverable, recovery should be achievable with minimal additional resources, using no additional mechanical lifting equipment.
Weight minimised in order to avoid excessive increase to transporting vehicle MLC. Ideally a single complete system should weigh no more than 500 kg and be made up of sub-components weighing no more than 100 kg.	If recoverable, it should be capable of a number of redeployments, considering value for money in that number.
Operates in a variety of environments and temperature ranges (-40 to +50 degrees centigrade).	

What we don’t want

We are not interested in literature reviews, paper-based studies, consultancy, non-technical solutions or marginal improvements to existing capabilities. This is not a competition and therefore we are not asking for costed proposals at this stage. This is a market engagement request for information exercise and we do not commit to subsequently launch a formal DASA competition.

How to submit a Capability Submission Form

Complete DASA Capability Submission Form – Crossing The Gap (MS Word Document, 888KB) (noting the word limits) and then email it to accelerator@dstl.gov.uk by 1200hrs on 4 March 2019 with "Crossing The Gap" in the subject line. Please only provide details of one product/capability per form. If you have a number of potential solutions then please submit multiple forms.

If you have any questions then please email accelerator@dstl.gov.uk with Crossing the Gap in the subject line.

How we use your information

Information you provide to us in a Capability Submission Form, that is not already available to us from other sources, will be handled in-confidence. By submitting a Capability Submission Form you are giving us permission to keep and use the information for our internal purposes, and to provide the information onwards, in-confidence, within UK Government. The Defence and Security Accelerator will not use or disclose the information for any other purpose, without first requesting permission to do so.

News story: New figures reveal increase in ex-service personnel employment rates

Employment rates of ex-service personnel have risen, according to new figures released this week by the Ministry of Defence. Figures reveal 88% are either back in employment, education, or volunteer work within 6 months of transitioning back into civilian life, following support from the MOD's Career Transition Partnership (CTP).

In 2017/18, the employment rates of ex-forces personnel who leave service early – after four years or less – increased from 79% to 83%, thanks to the Future Horizons program, which provides a bespoke service to early leavers.

Ex-service personnel are just as likely to be employed as the general population, according to new figures published by the Ministry of Defence which show that the employment rate among veterans are recorded at 79% in line with the national average.

The new figures analyse the employment outcomes for those who have received support from the CTP, which provides career guidance through a range of career and employment support services including skills development

workshops, vocational training courses, career consultancy, one-to-one sessions and job finding support.

Minister for Defence People and Veterans Tobias Ellwood said:

> Our Armed Forces embody a range of invaluable qualities, such as leadership and dedication, making them assets to any civilian organisation.
>
> It's fantastic to see service leavers putting their skills to use in the civilian workplace, and I urge all employers to tap into this exceptional pool of talent.

Since its launch twenty years' ago, the CTP has supported over 250,000 service leavers transitioning into the next stage of their careers for up to two years prior to leaving the Armed Forces.

Ex-serving personnel can also access CTP support for two years after they have transitioned back into civilian life, ensuring the adjustment process is as smooth as possible.

Along with online career resettlement guides, personnel can also access advice on wider aspects of the transition process, including housing and pensions, managing finances, and moving abroad. This guidance is part of the broader resettlement support on offer to bridge the gap between military and civilian life.

The MOD is committed to ensuring that all ex-forces personnel and their families are supported, and last year launched the 'Strategy for Our Veterans' produced jointly between the UK, Scottish and Welsh Governments. A UK Government consultation is ongoing, which welcomes all views, including from charities, employers, local authorities and the veteran community.

Any veteran in need of advice can call the Veterans' Gateway – a 24 hour helpline (0808 802 1212) which acts as the first port of call for veterans and their families. The MOD has recently launched a new outreach service where it will proactively call those who have served, to check on their wellbeing and remind them of where support can be found.

Speech: Martin Coleman GCR Live speech

Introduction

The global debate about whether competition law and policy are up to meeting the challenges of changing business models and behaviour has several themes:

- Is competition law appropriately addressing how technology, data and new business models are changing the way industries are structured and businesses engage with the marketplace? Some have asked if competition enforcement systems are up to the job of reviewing dynamic markets.
- Is the traditional assessment of consumer welfare, primarily on the basis of allocative efficiency, too narrow? How far should distributional issues be taken into account? In the UK we are increasingly focusing on whether our competition regime, and remedies, take sufficient account of the circumstances of vulnerable consumers.

This debate has moved beyond the competition specialists, to the centre of the political and public policy arena. President Trump is reported to have said that he has heard a lot of people talking about monopoly particularly in relation to large technology companies. When Elizabeth Warren announced her bid for the presidency there was press comment about her concerns over antitrust under-enforcement and her view that the agencies need to be more vigorous in challenging corporate power. On my side of the Atlantic, the Financial Times, in an editorial last month, said Brexit will demand the reworking of British government "Nowhere will this be more important than in competition policy".

One issue is how far the traditional approach of competition law – Articles 101 and 102 of the EU Treaty; the Sherman Act; the UK Competition Act – is capable of addressing concerns. Whether the tools are there, and they just need to be applied differently or more rigorously, or whether reform is needed to make them work better.

This morning I would like to talk about a tool that is available to us in the UK but in few other jurisdictions – market investigations.

To be clear, it is not my intention to argue that the UK approach is necessarily appropriate for other jurisdictions. Policy needs and priorities differ between countries. What works in one country is not necessarily appropriate in another. My objective rather is to describe the UK system, and give some examples of matters we have dealt with, as a contribution to the debate on competition policy reform which is underway in many countries.

Let me start by making an important distinction, using UK terminology, between market studies and market investigations. A market study is a review of a particular sector of the economy by a competition agency that informs the agency's wider agenda. It may lead to enforcement action under antitrust laws or to recommendations for reform but the agency has no powers to impose remedies directly as a result of the market study. Under a market investigation regime, if there is a finding that the market is not working effectively, the agency can take legally-binding measures to improve the competitive structure or process.

While most competition agencies can conduct market studies, for example the European Commission can conduct sector inquiries, I am only aware of the UK, Mexico and Iceland where the authority is empowered to design, implement and enforce forward-looking remedies to address the restraints on competition identified.

There have been some calls to introduce market investigation tools, akin to the UK, elsewhere. One prominent economist has suggested that, to address concerns about the behaviour of technology companies that may not possess market power as traditionally defined, agencies should be allowed to investigate whether there are problems in certain markets, and instruct businesses to undertake actions to ensure the markets remain "vibrantly competitive" (speech by Jorge Padilla). In the USA an eminent competition lawyer, in evidence to the FTC, described UK market inquiries as a 'great tool' that 'perhaps we should consider adopting' (transcript of FTC Hearing #2 on Competition and Consumer Protection in the 21st Century, p. 47-9 and p.120).

Policy

Let me put the UK regime in a policy context. We believe that to be effective in ensuring that competitive markets do their job of boosting productivity, incentivising innovation and low prices and enhancing aggregate consumer welfare, while addressing legitimate concerns about exploitative and unfair behaviour, a suite of tools is needed.

We cannot expect a single mechanism, the prohibitions on anti-competitive agreements and abuses of dominance, important as they are, to deal with all circumstances which could impede the benefits of a competitive market. Behaviour may fall short of an anti-competitive agreement but still be restrictive of competition; unilateral conduct may be distortive or restrictive but not infringe the test for abuse of dominance. It may not be the conduct of specific companies that is the principle problem but rather the way the markets have evolved, the circumstances of consumers or other features.

An advantage of market investigations is that, if there is an adverse finding, one is not imposing a penalty for previous behaviour – there is no suggestion of illegality – and one is not laying down a general rule that will apply to markets of very different characters. The outcome is a tailored forward-looking remedy that applies to the specific circumstances of a particular market with the purpose of making the market work better.

The markets regime allows us to hear from a wide range of stakeholders and often this gives a voice to consumers (and their representatives), whose interests we seek to protect across all our tools, but whose views the adversarial process in competition enforcement may not always be best placed to take account of.

Overview of the regime

So a market investigation is a detailed examination into whether any aspect of a market or markets, be it structural, supplier or customer conduct, or regulation, is preventing, restricting or distorting competition – that is having an adverse effect on competition. We do not use a theoretical benchmark. We often use the term 'a well-functioning market' in the sense of a market without the features causing the adverse effect on competition,

rather than to denote an idealised, perfectly competitive market (there is an important difference between market studies and market investigations. A market study can look into anything that may adversely affect either competition or the interests of consumers. But when it comes to market investigations, the CMA must identify and address adverse effects on competition before action can be taken. There is an argument that the scope of market investigations should be aligned with market studies so the CMA could order legally enforceable remedies to address consumer detriment, without having to demonstrate an adverse effect on competition).

We might have to examine realities of consumer behaviour, such as how consumers respond (or do not respond) to market signals. When needed we will assess the dynamic nature of the relevant sector, including the effect of technological change. As well as more conventional economic analysis we may consider complex questions of behavioural economics, accountancy and technology. We often consider the effectiveness of any existing sector regulation and the potential for new regulation.

These are major investigations. They can expose serious failings and lead to the imposition of tough remedies so their implications for consumers and the relevant industry can be profound. Such investigations are therefore high profile and resource intensive for us, and for the parties concerned.

Because of this the decision to start a market investigation is one of the few matters that the legislation explicitly reserves to the CMA board. The board will consider whether a reference is proportionate taking into account the features of the market and their possible impact, the significance of the sector, how far alternative approaches might be available and, if there were to be an adverse finding, the availability of possible remedies.

The inquiries are led by members of the CMA's independent panel that I chair (that is, not CMA staff), usually 4 or 5 people, supported by a CMA staff team. The panel is drawn from a variety of backgrounds: competition law and economics; other professions such as accountancy and people with business and consumer experience. Proper account must be given to fairness of process and rigour of the analysis within a statutory framework.

Markets we have investigated have included:

- retail banking
- supply of gas and electricity
- investment consultancy
- payday lending
- audit services
- airports
- private healthcare

Our most recent investigation was into investment consultancy and fiduciary management – important services for pension scheme trustees helping them to manage over £1.6 trillion of investments with a major influence on pension scheme outcomes, affecting up to half of UK households.

It is vital that competition within these markets works well.

Examples of how the system works

Let me give you a flavour of how the system works by briefly describing aspects of 3 investigations: retail banking; airports and energy supply.

Retail banking

On retail banking we found that personal and small business customers were not responding to variations in price and quality, and the scale of this was significant given the gains from switching that many customers could make. Competition for their business was not effective and the underlying driver was consumer inertia.

This is not a novel issue and not unique to the UK. What is new, is the potential for data and technology to unlock the market. Our remedies included an order to set up Open Banking. This required the nine largest banks to agree and adopt common open standards for Application Programming Interfaces, so customers could share their data securely with other banking service providers, manage multiple accounts through a single app and easily compare products. As of December 2018, there were around 50 of these service providers live in production, and 200 in the approvals pipeline, including some major tech companies. We believe that this has the potential to materially change the banking industry for the benefit of consumers, harnessing the opportunities presented by technology and breaking down traditional barriers.

There are 3 aspects of the regime that the banking inquiry highlights. First, there was no infringement of antitrust prohibitions. The market problems arise on the demand-side as much from any actions by the banks. Second, the Open Banking remedy was complex and could not be easily delivered in a traditional antitrust enforcement case even if there was proof of an infringement. Its implementation, required co-operation and technical oversight. Third, while there is much focus on digitisation being a cause of competition concerns, digitisation also can offer solutions. The Open Banking remedy would not have been possible in the absence of modern technology.

Airports

The Open Banking remedy is only a year old. We have had longer to evaluate the effectiveness of the remedies imposed in another high-profile investigation in 2009. The Competition Commission (the CMA's predecessor) ordered BAA to sell 3 of its airports, after finding that its common ownership of all the main London airports, and 2 of the main airports in Scotland, precluded competition to the detriment of passengers. An order of divestiture is a less frequent outcome of a market investigation.

Three years on from the sale of the last of the airports we instructed an independent consultant to conduct an evaluation of the effectiveness of this robust remedy. It showed that all 3 airports grew passenger numbers above levels observed at comparable airports. Under new owners, the airports sought

to attract airlines and passengers outside their traditional target market and the evidence indicated that the quantifiable benefits associated with the remedies would total around £870 million by 2020.

Energy supply

Because the issues that we consider in market investigations often have a high public profile there can be significant public debate about our remedy package. This sometimes crystallises around whether positive competitive outcomes are best achieved through measures that change the structure of markets; remedies which seek to change supplier and customer behaviour short of direct price intervention, or through the imposition of price caps.

This was highlighted by our energy market investigation when we decided not to impose a wide price cap on standard tariffs for direct debit customers – the default tariffs for customers who have not opted for a cheaper non-standard deal. We found that there would be material and persistent savings to a significant number of customers if there was more switching to non-standard tariffs. That these opportunities go unexploited was evidence of weak customer engagement. Vulnerable consumers – people with low incomes, low qualifications, living in rented accommodation or above 65 – in particular were not benefitting from better deals.

We found that suppliers gained a position of unilateral market power concerning their inactive customer base and had the ability to exploit this by pricing materially above a level that can be justified by the costs incurred in operating an efficient business.

Our principal remedy were measures to enhance customer engagement and make it easier for competing suppliers to target non-switchers. We considered whether to impose a wide price cap, at least until such measures had an opportunity to come into effect, but, with the exception of the most vulnerable customers who were on prepayment meters – that is who paid for energy in advance of consuming it – we decided that attempting to control outcomes for the substantial majority of customers would – even during a transitional period – risk undermining the competitive process, likely resulting in worse outcomes for customers in the long run.

The UK government took a different view. It agreed with the minority opinion of the CMA inquiry panel that a temporary cap on prices would provide protection to consumers while the remedies are implemented and the conditions for effective competition are established. The government legislated to require the energy regulator, Ofgem, to impose a limit on the price a supplier can charge for customers on prepayment and standard tariffs. The reason for this is concisely set out on the Ofgem website: “Ofgem and the UK government have introduced price caps so if you are less active in the market you don’t get left behind or pay an unfair price for your energy.”

This illustrates differing approaches. On the one hand, the traditional view of competition agencies to be wary about imposing direct price controls for fear of undermining longer-term measures that make markets more responsive while, on the other hand, a proper policy concern about fairness and speed of

action, particularly when dealing with vulnerable consumers.

Conclusion

There are therefore a range of instruments in our toolbox and at the market study stage we can take a holistic view as to whether there is a problem and the best tool to tackle it: antitrust enforcement; consumer law or a market investigation.

The antitrust prohibitions are essential to deter and punish, and to compensate those who suffer loss. Market investigations serve a different function. They allow for deeper understanding of the existence and extent of market problems and possible solutions. They protect consumers by opening the possibility of remedies that change market structures, adjust supplier behaviour or influence customer decision-making.

They also serve another purpose. As competition agencies there is always the danger of becoming detached from the world in which consumers, the ultimate beneficiaries of effective competition enforcement, operate. We use language, and apply concepts, that people can find it hard to relate to. We operate in a procedural framework which can sometimes make wider engagement difficult. This is understandable when antitrust enforcement decisions can have significant implications for a businesses' rights and lead to financial penalties and actions for damages.

The market investigation process takes us directly to the frontline of interaction between the competition regime, consumers, businesses and other stakeholders. It does not obviate the need for due process and proper analysis, but the width and depth of the investigation facilitates broader interaction between the agency and those who operate in the market. We believe that this is good for us as an authority and helps address the concern, that some have voiced, about the risk of disconnect between competition enforcers and the public whose interests we serve.