



National Audit Office

Public Service Markets

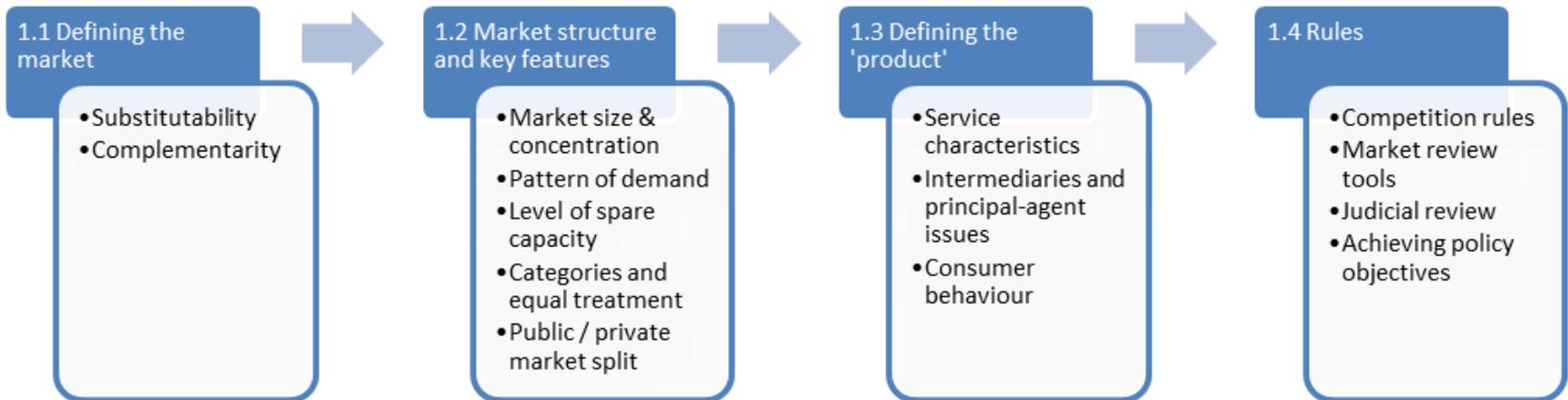
- NAO Analytical Framework

22 January 2015

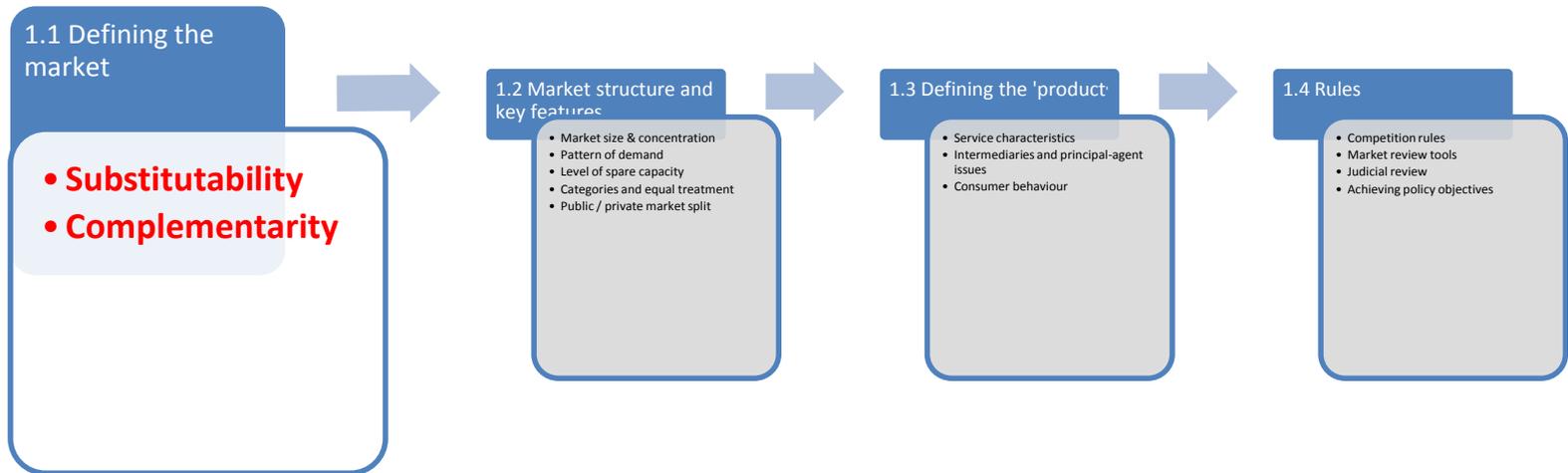
STRATEGIC OVERVIEW



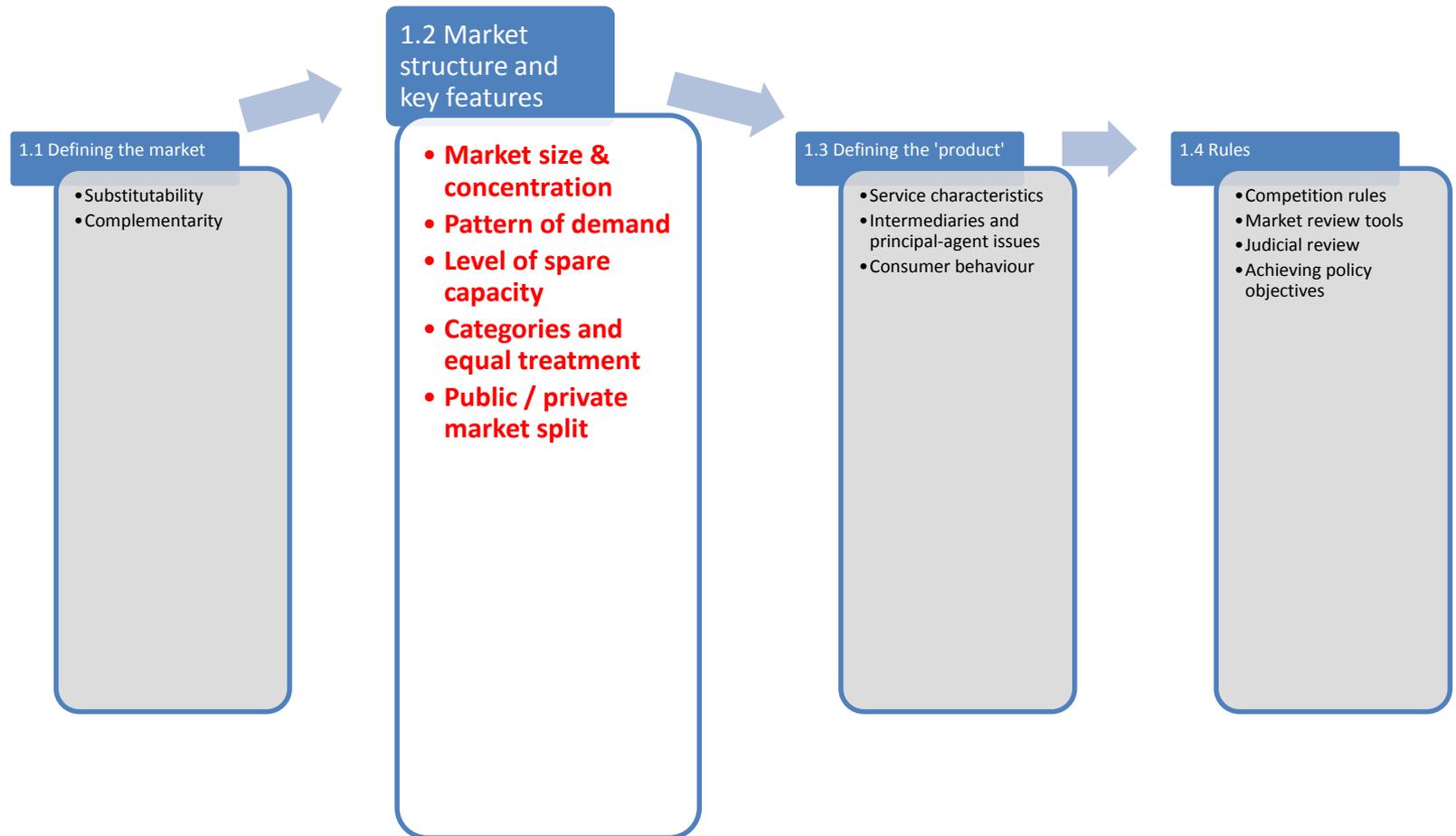
STAGE 1 – UNDERSTANDING THE MARKET ENVIRONMENT



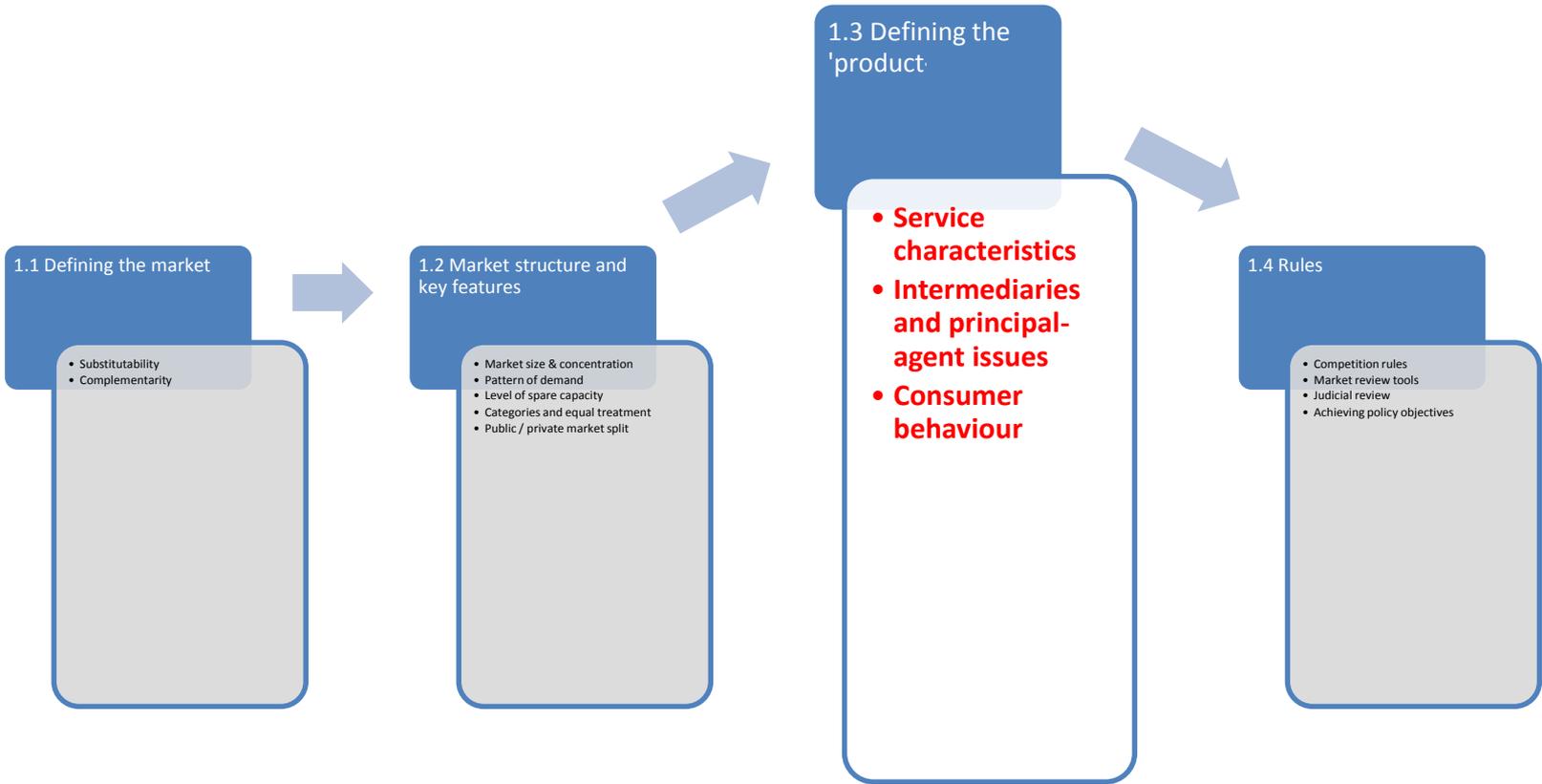
1.1 DEFINING THE MARKET



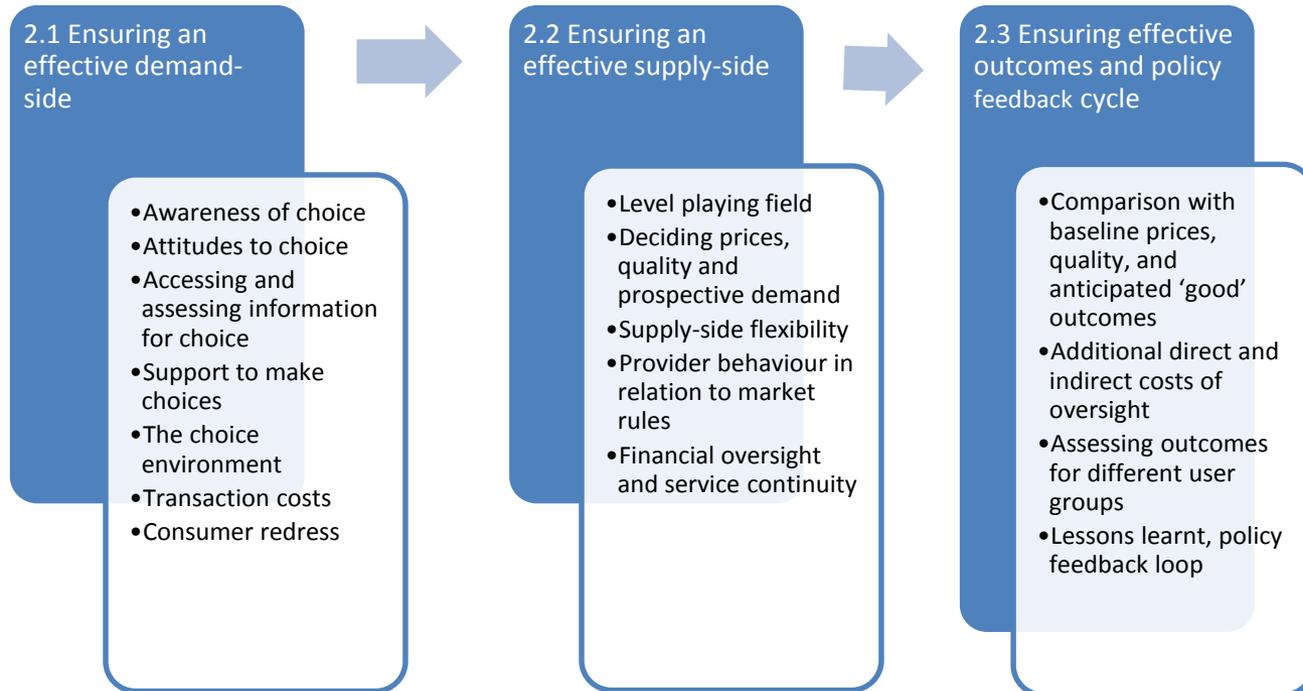
1.2 MARKET STRUCTURE & FEATURES



1.3 DEFINING THE PRODUCT



STAGE 2 – THE EVALUATIVE CRITERIA



2.1 EFFECTIVENESS OF DEMAND-SIDE

2.1 Ensuring an effective demand-side

- **Awareness of choice**
- **Attitudes to choice**
- **Accessing and assessing information for choice**
- **Support to make choices**
- **The choice environment**
- **Transaction costs**
- **Consumer redress**

2.2 Ensuring an effective supply-side

- Level playing field
- Deciding prices, quality and prospective demand
- Supply-side flexibility
- Provider behaviour in relation to market rules
- Financial oversight and service continuity

2.3 Ensuring effective outcomes and policy feedback cycle

- Comparison with baseline prices, quality, and anticipated 'good' outcomes
- Additional direct and indirect costs of oversight
- Assessing outcomes for different user groups
- Lessons learnt, policy feedback loop

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2.3 OUTCOMES & POLICY FEEDBACK

