Minutes of the Office of Fair Trading Board Meeting

Thursday 12 January 2006

Present
Philip Collins (Chairman)
John Fingleton (CEO)
Allan Asher
Lord Blackwell
Christine Farnish
Richard Whish

Apologies
Rosalind Wright

OFT Staff
Stephen Blake
Colin Brown
Sue Cook
Tony Donaldson
Philipp Giradet
Daniel Gordon
Paul Gurowich
Fiammetta Gordon
Sarah Kaye
Brian McHenry
Ali Nikpay
Bart Smith
Vincent Smith
Christine Wade
Simon Williams
Graham Winton

Board Secretariat
Erik Wilson
Francesca Seymour (Board Secretary)

Item 1 Minutes from the last Board meeting (21 November) (OFT(05)10th minutes)

Subject to two amendments, the minutes were accepted as a true record.

Item 2 Divisional Directors Reports

The CEO and Divisional Directors provided the Board with key updates on their respective areas:
CEO

*Healthcare working group*

Ray Watson will be taking the lead on cross-office co-ordination. This will also include work on how we take priorities forward and how to make the best use of sector expertise.

*Public Accounts Committee (PAC)*

The CEO will be appearing before the PAC on 18 January to give evidence on the National Audit Office report on Competition Enforcement. The Chairman and Vincent Smith are also appearing with the CEO.

*OFT+ Committee*

The CEO and Christine Wade will be jointly chairing the weekly OFT+ committee meeting, which has replaced the Hampton committee. The CEO commended the good teamwork of the Hampton committee for the record.

CE

*CE1 – resources*

The Board was asked to note the impact of work on policy issues case had made on CE1’s progress on ongoing work.

*Article 82*

Ali Nikpay is representing the OFT at a number of external events covering the DG Competition’s Discussion Paper on Article 82. He is also leading OFT workshops on this issue.

*European Commission Green Paper – Private Enforcement*

DTI and DCA are leading on the Government’s response to this paper.

*Preliminary Inquiry Unit (PIU)*

The advertisement for the Head of PIU vacancy has been published. Interviews are scheduled for early March, and it is hoped that the successful candidate will be in post in April. The advert did not specify that a competition background was essential, allowing options to be kept open.

Work on the integration of CE and CE Legal continues to move forward.

*Communications*

*OFT website*

Comms is undertaking research with website users seeking their general views.
Stakeholder event

More briefing on the London event will be available by the end of the week.

Codes campaign

The next focus will be on Estate Agents.

Staff issues

Mark Kram leaves OFT to join the Court Service on 23 January.

MPI

Supermarkets

The team is awaiting information from the supermarkets and others to feed into the fresh decision. The deadline for the supermarkets to respond is 13 January. The decision is due by the end of April. The Board said that the update paper (dated 9 December) it had received was good, and similar updates would be useful.

Corporate Services

Consumer Direct

We are in discussion with HM Treasury and the Office for Government Commerce (OGC) regarding locating the operational headquarters for Consumer Direct at Maidstone. Negotiation with HM Treasury and DTI on funding for Consumer Direct also continues.

Staff survey

The Board asked to see a copy of the staff survey. The summary results have been communicated to staff, and a piece on the survey will appear in the next issue of Fair Trading.

CRE

Restructuring of CRE

CRE is having a final 12 week push on getting the structural changes to CRE through. This has resulted in a need to re-prioritise other work.

Access to Criminal Convictions data

The DTI has written to the Home Office in support of our application.

Item 3 CE3 case discussion

The Board discussed progress in an ongoing CE3 case.
Item 4  OFT Evaluation Programme

The Board was presented with an overview of the OFT Evaluation Programme and plans for longer term evaluation. The Board expressed a keen interest in this area of work, and noted that it will be built into our prioritisation work.

Item 5  Consumer Direct – Post transition governance

The Board was content with the proposed way forward on Consumer Direct as set out in OFT(06)03, and noted the points made in the OFT Plus discussion paper (OFT(06)08.

Item 6  Contingency Planning

The Board agreed to discuss this at the Away Day on 24 January.

Item 7  Any other business

Items below the line:

The Trading Standards Service update paper was discussed as part of Item 5. The Board noted the content of OFT(06)04 (Paysys update) and OFT(06)05 (Financial Report).

Francesca Seymour
Secretary to the OFT Board
13 January 2006
Minutes of the Office of Fair Trading Board Meeting

Thursday 9 February 2006

Present
Philip Collins (Chairman)
John Fingleton (CEO)
Allan Asher
Lord Blackwell
Christine Farnish
Rosalind Wright

Apologies
Richard Whish

OFT Staff
Sue Cook
Ray Hall
Paul Gurowich
Chris Jenkins
Brian McHenry
Jonathan May
Barbara Powell
Hannah Priest
Bart Smith
Julia Smith
Vincent Smith
Graham Winton

Board Secretariat
Erik Wilson
Francesca Seymour (Board Secretary)

Item 1 Minutes from the last Board meeting (12 January)
(OFT(06)1st minutes)

Subject to some amendments, the minutes were accepted as a true record.

Item 2 Divisional Directors Reports

The CEO and Divisional Directors provided the Board with key updates on their respective areas:
CEO

Senior Executive Team (SET)

The Senior Executive Team has been set up, and has met several times. More about the work and findings of SET will be presented to the Board on 21 February.

- SET will lead the OFT response to the Consumer Voice consultation
- One member of SET to become the cross-office liaison point for FSA

Public Accounts Committee appearance and Annual Plan Stakeholder events

Both these events had gone well. The two stakeholder events in Edinburgh and London had been useful, with the Scottish event being particularly useful.

OFT Plus

We have now seen the LBRO vision document. We are working with DTI, HM Treasury the other regulators and Trading Standards to develop the LBRO concept and to ensure that model fits well with OFT Plus.

National Weights and Measures Laboratory (NWML)

The Chairman and CEO had a meeting with NWML and DTI last week.

Credit Card default charges

This was discussed at the last SET meeting, and will come to the Board in March.

Competition Commission (CC) lunch

The Chairman and CEO had lunch with the CC earlier that day. This had gone well, with both parties agreeing that they share a similar view in implementing consumer welfare in their respective work.

CE

European Commission Green Paper - Private Enforcement

We are co-ordinating our response with DCA and DTI, which is due by 21 April.

Review processes

Arising from the discussions on recent cases, the Board recommended that the Executive put in place a “wash up” review process at the end of key projects or cases, in order to reinforce the OFT’s learning culture.
Communications

*Consumer Direct*

A press officer has been recruited who will spend half his/her time in London and Maidstone. Communications issues are under discussion.

**MPI**

Jonathan May congratulated and thanked his team for their work in his absence.

**Corporate Services**

*Accommodation strategy*

This is being looked at by OMG.

**CRE**

**UCPD**

We need to respond to the DTI by 8 March, and the team will be meeting the CEO on 13 February to discuss our response.

*Guidance on Credit Card providers/the unilateral raising of credit card limits*

Following up on a point raised at the January meeting, the Board was advised that although the OFT has scope to consider fitness guidance on this we do not think it appropriate to do so as the government has so far specifically rejected measures of this kind in the Consumer Credit Bill. The CEO said that broader work on credit could be an important element of work next year.

*Hampton footnote*

The team is working with DTI, HMT and the FSA on a consultation document. Some feasibility work will be needed on the operational matters and a paper will come to the Board in due course.

**Legal**

The s75 case has been heard in the Court of Appeal. We await judgment.

**Item 3  Market Study**

The Board was updated on an ongoing market study.

**Item 4  Board Away Day**

The CEO has given Branch Directors a presentation based on that given to the Board at its away day. He is planning two team-building events with Branch
Directors (probably in May and June), and to include Jonathan May and Amelia Fletcher who were unable to attend the Top Management Team away day. The Chairman is working on the relationship/role of the Board and the Executive, which will be discussed in March.

**Item 5 Update on Consumer Direct and PROMOD**

**Consumer Direct**

The Maidstone office will start to be occupied from 3 April. Some IT and performance and quality managers have already joined the team, and the knowledge transfer from DTI is underway. Michael Ridley will stay on beyond 1 April to ensure that the transfer is complete.

A paper by Sue Cook and Michael Ridley on branding will be taken by the Transition Advisory Group. All regions will have a consultative voice on future direction and development through the Consumer Direct council.

There are some questions over data. It was agreed that we would need to consult publicly in the next financial year on who can access this data, and to assess what demand there is for it.

The Board asked that a paper covering governance, resourcing, outstanding issues with the DTI and current expectations of delivery be tabled at the March meeting.

**PROMOD**

The extension to the lease on Craven House has de-risked some earlier problems. The data model and transfer of data process has been agreed with Logica, although it is not in a position to handover a system yet. We should have a clearer timetable at the end of February.

**Item 6 Any other business**

**Future Board meetings**

*21 February*

It was agreed that members of the Executive could attend this meeting.

*September planning day*

This needs to be agreed – it may be that two half days may be required.

*March meeting*

It was agreed that this will run from 1230 – 1700. Lunch will be provided.
Conflicts of interest

The procedures for handling conflicts need to be re-examined.

Papers below the line:

**Item 7  Relationships with Scottish Executive and Scottish TSIs**

It was agreed that this issue should come back to the Board at a later date.

**Item 8  Management Accounting Information**

The Board noted the information provided for the 10 months ended 31 January.

**Item 9  Update on OFT Plus**

This was noted. Key updates had been raised by the CEO under Item 2.

**Item 10  Corporate Risk Register**

It was agreed that quality control needed to be assigned as a higher risk, and that ‘guard against fraud’ needed to be included. The Board will clear the final version at the start of the next financial year.

Francesca Seymour  
Secretary to the OFT Board  
10 February 2006
Minutes of the Office of Fair Trading Board Meeting

Thursday 2 March 2006

Present
Philip Collins (Chairman)
John Fingleton (CEO)
Allan Asher
Lord Blackwell
Richard Whish
Rosalind Wright

Apologies
Christine Farnish

OFT Staff
Nick Beresford
Colin Brown
Sue Cook
Cavendish Elithorn
Daniel Gordon
Paul Gurowich
Amelia Fletcher
Ray Hall
Chris Jenkins
Brian McHenry
Jonathan May
Simon Priddis
Hannah Priest
Bart Smith
Vincent Smith
Simeon Thornton
Jody Whitehorn
Graham Winton

Board Secretariat
Erik Wilson
Francesca Seymour (Board Secretary)

**Item 1** Minutes from the last Board meeting (9 February)
(OFT(06)2nd minutes)

The minutes of the last meeting were accepted as a true record.
Item 2: Divisional Directors Reports

The CEO and Divisional Directors provided the Board with key updates on their respective areas:

CEO

Staff appointments

The CEO advised that Ann Pope has been appointed as Head of the Preliminary Investigations Unit.

Forthcoming meetings

The CEO is due to attend a quadrilateral meeting with DTI, HM Treasury and the Competition Commission (CC).

Corporate Services

Comprehensive Spending Review (CSR)

Draft terms of reference in relation to the “zero-based” review of back office functions have been sent to HM Treasury. This does not include anything on consumer issues.

Fleetbank House

The COO reported on the landlord’s intended application for planning permission.

Communications

Media coverage

There has been good coverage on Scams throughout the month, and this message needs to be sustained. Rosalind Wright advised that she and Mike Haley had been interviewed by Turn on TV on scams issues, which may encourage further coverage.

Good coverage had also been received on the Boots/Unichem and credit card cheques announcements.

Business and Consumer Research

Results of the business and consumer research exercise will be circulated in the next few days.
CRE

Scams

The forthcoming ICPEN meeting in Korea will pull together the initial outcomes of the international input to fraud awareness month.

Credit Card default charges demonstration

The Board was advised that a demonstration was due to take place on 3 March in Salisbury Square. Where possible, staff are advised to stay in the building or use the alternative exits.

CRE Legal

Jessica Farry has returned from sick leave. Harsha Shewaram is returning to the office on Monday and will replace Paul Gurowich who will be continuing his work on OFT Plus.

CE

Mergers guidance

A meeting with CBI and City lawyers took place last week. The situations in which some type of informal advice may be required by business may have to be extended. An interim notice will be going out by the end of March.

ANL

Commitments were accepted this morning.

Private Enforcement

The submission on the Commission’s paper is due mid April.

MPI

Stakeholder review

The review by Phil Evans is due on 3 March, and will be fed into the change programme.

Working with the FSA

An agreed joint press notice from the CEO and John Tiner at the FSA explaining how the OFT and FSA can work more closely together is being prepared. HM Treasury is keen for both organisations to enjoy a closer working relationship.
Item 3  Market Study

The Board was updated on an ongoing market study.

Item 4  Update on Consumer Direct (including governance)

Colleagues are in the process of being interviewed as part of the OGC Gateway Review to ascertain the OFT’s readiness for the transfer of Consumer Direct on 1 April. The Board was updated on the following key areas:

Finance

It has been agreed with DTI that the £19m annual budget to the OFT on 1 April. The DTI guarantee remains in place, but will only be called upon in an emergency. The OFT will lead on the bid for Consumer Direct funds in the Comprehensive Spending Review.

Recruitment and location

The team are all in place with the exception of the communications manager who will join in mid-April. A head hunter will begin the search for the Consumer Direct Director; the CEO will want to sign off the advertisement before it is published.

Branding, marketing and communications

This has been discussed by the Transitional Advisory Group, and a good level of co-operation is underway.

Governance

Agreement has been reached with the interested parties on the structure, role and general membership of the National Strategy Group.

Item 5  Credit Card default charges

The Board was advised that the OFT will be publishing a statement on default charges by the end of March, proposing a threshold. Although this approach is not seen as a permanent or ideal solution (expected to last around 3 years), it should improve the working of the market.

The team is already in discussions with key stakeholders, and meetings have been set up with APACS and others. The team will also need to talk to the banks again at some point. The team noted that the incentives staff got for selling products also needed to be considered. It was confirmed that this work is consistent with that already undertaken on MasterCard interchange fees.

The Board commended Steven Wood for all his work on this issue, and thanked Ray Hall for stepping in and taking forward work from now on.
Item 6 Market Study

The Board was updated on an ongoing study.

Item 7 Approval of the Annual Plan and OFT vision

Annual Plan

The Board agreed to adopt the final version of the Annual Plan. It noted that this may be produced in a different format next year.

OFT Vision

An updated version, reflecting comments by the Board and Directors was circulated at table. The themes in the Vision can be drawn upon for speeches and media briefings.

Item 8 Senior Executive Team (SET) report

The CEO introduced Cavendish Elithorn, who will be leading work on the implementation of the new structure. The CEO’s presentation to Branch Directors had gone well and a Branch Directors group is being set up to assist with the implementation.

Staff Event

The Board was advised on the format for the forthcoming staff event.

Following the event the CEO will be holding two away days for Branch Directors (BDs) (in two teams), and a series of staff workshops in April and May. The CEO will also cover the new structure in an interview he is giving to Whitehall and Westminster World on 17 March.

Item 9 Any other business

There were no issues that NEDs wished to discuss.

Papers below the line:

Item 10 Management Accounting Information

The Board noted the information provided for the 11 months ended 28 February.

Francesca Seymour
Secretary to the OFT Board
3 March 2006
Minutes of the Office of Fair Trading Board Meeting

Thursday 6 April 2006

Present
Philip Collins (Chairman)
John Fingleton (CEO)
Allan Asher
Lord Blackwell
Christine Farnish
Rosalind Wright
Richard Whish

Board Secretariat
Erik Wilson
Steve Rayner

OFT Staff
Daniel Gordon
Gover James
Sarah Kaye
Rosie Aujla
Jonathan May
Mike Ricketts
Bart Smith
Vincent Smith
Christine Wade
Adrian Walker-Smith
Tim Wilson
Graham Winton

Item 1 Minutes from the last Board meeting (2 March) (OFT(06)3rd minutes)

The full and public minutes of the March meeting were accepted as true records.

The Board were invited to discuss the list, appended to the April agenda, of upcoming items for consideration to the board. The list was approved subject to the item 'CE caseload' being changed to 'OFT delivery' to reflect the synergy between divisional and OFT wide changes, and the addition of three items:

- SRO 07 - To be discussed at the May and June meetings
- CRED operational survey - To be discussed in May or June
- CCAS – To be discussed in June
The Board also asked for a progress report on Consumer Direct in July (see Item 6).

**Item 2 Divisional Directors Reports**

The CEO and Divisional Directors provided the Board with key updates on their respective areas:

**CEO**

*Competition Regime*

The quarterly Quadrilateral meeting with the CC, CAT, and DTI, attended by the CEO, focussed on the question of streamlining merger reform, possibly through a 3rd session bill in the current parliament.

The CEO attended two meetings with HMT. Vincent Smith will liaise with the CC to develop and discuss these issues further.

**Corporate Services**

*Comprehensive Spending Review*

OFT is required to submit terms of reference to HMT for the following reviews:

1. Back Office Costs (zero based)
2. Accommodation
3. Shared service solutions
4. Consumer functions (zero based)

**Consumer Direct**

Consumer Direct has now been transferred from DTI.

**Internal Auditors**

Chiene & Tait have been appointed as internal auditors following their clear success in the competitive tender.

**CRE**

*Credit Card Default Charges*

There has been close dialogue with the banks and APACS prior to and following the recent announcement on unlawful penalty charges. The announcement has produced a large amount of positive press coverage.

**Home Computing Initiative**

The HCI team have been extremely pressed to respond to requests following the sudden announcement in the Budget to scrap the initiative from 6 april.
Communications

Profile

The Supermarkets announcement achieved the highest amount of coverage achieved by the office for a single event, 90 per cent of which was positive. The Credit Card Default Charges announcement also attracted a very high level of positive coverage.

The OFT website was voted Times Website of the Week after the scams launch, with positive reactions to the interactive features such as quizzes.

The tracking exercise into the perception of the OFT by external stakeholders has revealed that impact has largely remained static over the past year.

Annual Plan/Annual Report

The annual plan was published at the end of March. Feedback is now being received in various forms and from various sources to which Comms are responding.

Work is underway on the Annual Report.

MPI

Supermarkets

Following the announcement of consultation on a possible reference to the CC, MPI has received over 1200 submissions from a wide range of organisations and individuals.

CE

Independent Schools

Acceptances have now been received from all 50 schools.

European Commission Green Paper - Private Enforcement

We are proposing to host a conference on Private Enforcement and will be preparing a response to the Commission’ s consultation paper.

Item 3 Feedback from the Staff Event

Feedback from staff has largely been very positive. There appears to be a large degree of commitment from staff to the announcement of the proposed restructuring. It will be vital to retain the momentum that the change programme has so far achieved. The project team, named Beagle in a staff vote, is being put together, and work is already being done on the reassessment of resource areas.

Branch directors have received project management advice and will be attending away days on team building and change management.
Item 4  Market Studies Programme

The team were congratulated on the rich and diverse portfolio of current studies. The systematic approach to study selection was also commended as an example of best practice which should be adopted across the office after restructuring.

As an excellent opportunity to encourage engagement with OFT work, more work should be done to involve stakeholders in the process of selecting market study areas. Following the success of the Market Studies Selection Event, stakeholder consultations are planned on areas for improvement in the Market Studies programme, and to identify areas for study. These are to take place in both England and Scotland.

Market studies will begin to harness the data coming out of Consumer Direct, particularly in order to identify areas of consumer detriment that are endemic yet unchallenged by current methods of enforcement.

Further work on the selection of market studies is being undertaken and will return to the Board at a future date.

Item 5  Paysys

The Board noted the industry proposals for a limited company to take over governance of, and manage access to, payment systems.

The Board considered that before any agreement or support could be given to the proposal, detailed work would have to be carried out by the industry to develop the proposal.

Item 6  Consumer Direct

Consumer Direct has now been handed over successfully from DTI without affecting delivery. The CD team will report again to the July Board. Secretariat will arrange for Board members to be sent the list of the top ten complaints made to Consumer Direct in March, along with a list of addresses for CD offices.

Item 7  Consumer Voice

The Board paper provided a background to proposals for the DTI consultation. Liaison with the NCC, WCC, SCC, GCCNI, TSI and Citizens Advice suggests that the other consumer bodies will have broadly similar responses to that being developed by the OFT, namely that considerable work needs to be done before any decision is made.

The position in the paper was supported by the Board.
Item 8     Any other business

No other business was discussed.

Papers below the line:

The Board noted and approved the Management Accounting Information and Corporate Risk Register papers. (OFT(06)29 and OFT(06)30).

Erik Wilson/Steve Rayner
Board Secretariat
Minutes of the Office of Fair Trading Board Meeting

Thursday 11 May 2006

Present
Philip Collins (Chairman)
John Fingleton (CEO)
Allan Asher
Lord Blackwell
Christine Farnish
Richard Whish

Apologies
Rosalind Wright
Vincent Smith
Christine Wade

OFT staff
Colin Brown
Sarah Cardell
Darryl Fernandez
Brian McHenry
Jonathan May
Ali Nikpay
Chris Mayock
Simon Priddis
Barbara Powell
Hannah Priest
Mike Ricketts
John Shelley
Bart Smith

Board Secretariat
Erik Wilson
Francesca Seymour (Board Secretary)

Item 1 Minutes from the last Board meeting (6 April)
(OFT(06) 4th minutes)

The minutes of the last meeting were accepted as a true record, subject to the addition of a sentence at Item 4 stating that 'further work on selection of market studies is being undertaken and will return to the Board at a future date'.
Item 2   HR strategy

The Board received a presentation on work completed to date, and being undertaken, as part of the revised strategy for the OFT’s Human Resources service.

Work completed thus far includes the agreement of a Code of Conduct for HR staff which is part of the Corporate Services Annual Plan. This Code of Conduct resulted in the creation of an HR vision statement developed and supported by HR staff.

The HR plan for 2006/07 considers the need for looking at how we recruit and retain staff, and plan for succession. Succession planning will also facilitate internal career progression. How talent is managed also needs to be considered. Leadership training and developing management skills are paramount to supporting behavioural and culture change. HR believe that the proposed leadership management programme can be delivered internally with the assistance of a consultant, and will cost somewhere in the region of £200-250k in the first year. E-HR is up and running, with some 260 staff already using this facility to update personal information. The OFT’s core competencies are being reviewed to include the behavioural changes that the office needs.

The Board’s role in HR policy will be discussed in July.

Item 3   Divisional Director’s reports

Divisional Directors provided the Board with key updates on their respective areas:

CRE

Promod

The ’go live’ date has been put back to the end of August. The Board asked for a note on the lessons learnt from the Promod project.

Money Laundering Directive

Discussions with HMT are underway on this issue and where these responsibilities lie.

OFTPlus

The joint OFT/TSS action plan has been drafted, with the final version to be launched at the TSI conference in June.

CRE Legal

The Section 75 case is going to the House of Lords.

The interim judgment on MB Designs has been upheld.
Communications

Consumer Direct

The launches will be led by the Chairman, CEO and Christine Wade. Due to the recent re-shuffle, no Ministers are expected to attend.

Media coverage

The decision to refer supermarkets had received extreme publicity. Celesio had been covered by the FT, and there had been some coverage on NMD. The PAC report on the competition enforcement regime will be covered by the press on 16 May.

MPI

Car warranties

The evaluation report of the car warranties market study will be published at the end of May. This is the first of such reports.

Consumer Direct

MPI1 is now reviewing samples of data, rather than contracting out this work.

CE

CE Legal

The Board was informed of developments in various cases.

Corporate Services

Annual accounts

The Board authorised the CEO to sign of the annual accounts which will go to the Audit Committee on 15 May. The accounts will be laid before Parliament before the next Board meeting.

PPDRs

99 per cent of the PPDRs have all been completed to date. Changes aimed to simplify the system have resulted in managers having better discussions with staff about performance, and less time spent in form filling.

Item 4 CE case

The Board discussed on ongoing case.
Item 5  SR07

This issue is due to come back to the Board in June, following discussion at the Senior Executive Team meeting on 23 May.

As part of the review for SR07, our future accommodation and consumer activities are also being looked at. The consultants assisting with this work will also be speaking to selected Board members.

Item 6  Any other business

The following Items were covered under any other business:

Future agenda items

The following items were added to the forward list:

- Priority areas update (September/October)
- Competition activities of other regulators (September)
- OSC report (July)

Reshuffle implications

The Board noted our Minister was now Rt Hon Ian McCartney MP, who will be based in the FCO.

New structure

Plans for the new structure and its implementation plan will be discussed at the June Board.

Papers below the line

Item 7  External communications Strategy

The Board noted that work on the external communications strategy would be looked at once the new Communications Director was appointed. Points raised at SET had been taken on board.

Francesca Seymour
Secretary to the OFT Board
15 May 2006
Minutes of the Office of Fair Trading Board Meeting

Thursday 1 June 2006

Present
Philip Collins (Chairman)
John Fingleton (CEO)
Allan Asher
Lord Blackwell
Christine Farnish
Richard Whish
Rosalind Wright

OFT Staff
Cavendish Elithorn
Darryl Fernandez
Brian McHenry
Jonathan May
Mike Ricketts
Bart Smith
Vincent Smith
Christine Wade

Board Secretariat
Erik Wilson
Francesca Seymour (Board Secretary)

External Consultants
Richard Goodson
Marietta DiCiaccia
(Impact Plus)

Item 1: Minutes from the last Board meeting (11 May) (OFT(06)5th minutes)

The minutes of the last meeting were accepted as true records.

Item 2: Divisional Directors Reports

Divisional Directors provided the Board with key updates on their respective areas:

Corporate Services

OFT websites

OMG will be discussing a proposed piece of work which aims to rationalise the 7 OFT websites (2 external, 5 internal), and to make them more efficient.
Management Development Programme

Tendering for the management development programme is underway. The programmes will be developed during July and August for roll-out in September.

IT

A project plan is being drawn up for the allocation of Blackberries and the move to Broadband. Some points regarding security are still to be addressed. Although we will remain on the GSi network for the time being, this will be kept under review. The Board was advised that there would be additional costs in running two parallel systems. It agreed that consideration should be given to leaving the GSi network.

Annual appraisals

The Board asked if there had been any changes in the spread of markings this year. The bias by race and gender had gone, but it is still the higher grades that receive the top marks. It was noted that this was not unexpected and common across most organisations. General feedback on the changes that have been made to the system had been welcomed.

CRE

Default charges

Responses have been received from most of the major 8 banks. No response has yet been received from Lloyds, despite recent press coverage on their charges. The team is in the process of chasing the 20 smaller providers. Early signs are that the work has been successful in addressing consumer detriment in this area.

Trading Standards programme

A consultation document on the Trading Standards Service (TSS) Action Plan has gone to TSDs. Comments received thus far have been positive, and a full breakdown of the response and more detail on the Action Plan itself will come to the Board in July. A secondee from Devon TSD, Paul Thomas, has joined OFT to assist on this project.

The Board was provided with an overview of OFT’s relationship with TSDs. The Chairman and CEO will be both speaking at the forthcoming TSI conference; the Chairman’s speech will cover the work of OFTPlus, while the CEO will concentrate on Trading Standards work on the ground in both the consumer and the competition field.

LBRO

Christine Wade continues to attend steering group meetings, and the DTI is developing greater clarity to the role of LBRO.
Money laundering directive

The CEO has discussed this with HM Treasury, and indicated that this work would not sit well with the changing structure and remit of the OFT. The Board agreed that it supported the position already taken.

CE

NMD

Press coverage on the NMD opinion was noted.

Celesio

The judgment made good points about third party representation. The points made on the merger process are under review.

Independent Schools

The Board noted that the schools settlement had been well-received as a sensible and pragmatic approach. The next step is to set up a Board of Trustees to administer the trust fund.

MPI

Airports

The potential market study was noted and the matter would come back to the Board in late June.

Communications

The Chairman and Board thanked Mike Ricketts for all his efforts as this was his last Board meeting prior to retirement on 6 July.

PAC report

This had been published. The CEO had an interview with Michael Peel (Financial Times) and had appeared on the Today programme, both of which went well. The minute to HM Treasury is due at the end of June.

Tracking research

The latest research showed an increasing awareness of competition policy, and of the OFT more generally. Highlights of the research may be followed up by some publicity at a later date.
Litigation

The new report from Litigation was noted and considered to be very helpful.

Staffing of the Litigation Unit

The Board noted that the establishment of the Litigation Unit had resulted in a substantial saving in our Treasury Solicitor’s costs.

Item 3: CSR07 and zero-based review

The Board was given a presentation on work undertaken thus far on the zero-based review requested by HM Treasury. Two consultants from Impact Plus (Richard Goodson and Marietta DiCaccia) joined the meeting for this Item.

The review covered four activities with the objective of assessing the required activities and resource levels for the CSR07 period and where potential savings could be made in the future.

Consumer Direct

The Board suggested that a comparison of elements of other call centres should be examined. The Board noted that the scenarios did not take into consideration the impact of Consumer Voice.

Going forward work needed to be done on the quality of the data coming out of Consumer Direct, which will come to the Board at a later date.

Accommodation

This review considered where we are located as well as what space we need to occupy. By relocating to smaller premises, moving to open plan and taking on board new ways of working (e.g. hot-desking and new technology) it is envisaged that significant savings could be made relative to current costs.

Back office services

It was noted that changes to the structure of the office could result in savings. The Board was advised that there were no services that should be stopped completely, but that noted as a small organisation, there could be cost benefits in sharing some services with others in a similar position.

Consumer activities

This area included CRE, Consumer Education, Adjudication and Legal. The Board noted that the team was not able to get a true zero-based approach due to the limited definition of outcomes.

The CEO will write to HM Treasury on 2 June. The performance framework and development of costed delivery plans will take place between June and November.
Item 4: Board appointments

The Chairman advised the Board that the DTI has approved the proposal for the new Executive and Non-Executive appointments.

Item 5: Project Beagle update

The Board was updated on the work of Project Beagle to date, which covered the establishment of the sub groups and engagement with staff.

The Board noted the new structure of the OFT, and the process for filling senior posts. Any suggestions were to be passed to Cavendish Elithorn.

A fuller update will come back to the Board in September.

Item 6: Any other business

Future agenda items

It was noted that the TSS Action Plan will come to the Board in July.

TSI conference

Allan Asher is attending the TSI conference, and it was suggested that he engage with elected members and Chief Executives.

Papers below the line

Item 7: Management accounting information

The Board noted the information provided for the month ended 30 April.

Item 8: Audit Committee minutes

The Board noted the content of the Audit Committee minutes, and that a paper on risk management would be taken at the July meeting.

Francesca Seymour
Secretary to the OFT Board
2 June 2006
Minutes of the Office of Fair Trading Board Meeting

Thursday 6 July 2006

Present
Philip Collins (Chairman)
John Fingleton (CEO)
Allan Asher
Lord Blackwell
Christine Farnish
Richard Whish

Apologies
Rosalind Wright

OFT Staff
Simon Brindley
Sue Cook
Cavendish Elithorn
David Fisher
Amelia Fletcher
Jonathan May
Ali Nikpay
Simon Priddis
Katie Rusbatch
John Shelley
Bart Smith
Vincent Smith
Christine Wade
Simon Williams

Board Secretariat
Erik Wilson
Francesca Seymour (Board Secretary)

External Consultants
Chiene & Tait
Jeremy Chittleburgh
Dr Tom Mitchell

CE
Andy Stephenson

CRE
George Bunting

KPMG
Stephen Murphy
Tim Ingle
Item 1: Minutes from the last Board meeting (1 June) (OFT(06)6th minutes)

Both the full and public minutes of the last meeting were accepted as true records.

Item 2: Divisional Directors Reports

Divisional Directors provided the Board with key updates on their respective areas:

CEO’s update

Meeting with HM Treasury

The CEO met HM Treasury who will be putting more money towards consumer financial education as part of the next spending round. The Consumer Education Alliance may advise Treasury, or otherwise play a role.

HMT also expressed interest in our competition work in relation to the City and financial markets.

Meeting with Ministers

This has not yet taken place.

CRE

Nothing was added to the written report.

Corporate Services

CSR07

Work on answering questions from HM Treasury on the OFT’s business case on relocation continues.

MPI

School uniforms

There has been a lot of positive media coverage on this issue.

Communications

Press coverage

It was noted that the OFT’s more proactive approach to the media had resulted in the more positive reports of the OFT’s work. The Board agreed that this had been the best consistent period of publicity for the OFT.
Scams

It was noted that Scams Awareness month also includes an evaluation of how OFT campaigns change behaviours. The Comms team will be working with local stakeholders to take this forward. The team is also working with Age Concern and Help the Aged to raise awareness of scams with older people. The general trend going forward is to use third parties to deliver the key messages.

CE

Nothing was added to the written report.

Item 3: CE issue

The Board was presented with progress on an ongoing issue.

Item 4: Project Beagle update

The Board was given an update on progress made on the Beagle programme in the last month. It noted that workshops on the values had taken place, and had generally gone well, and that the next stage of the programme was implementation planning.

Item 5: Internal restructuring

This was discussed in closed session.

The Board recorded it thanks for the work Mo Morter had undertaken on JESP scoring the new Executive Director posts.

Item 6: OSC report

The Board was given an explanation of what had taken place following the OSC inspection and report. The OFT has employed an experienced ex-Police officer consultant in this field, to consider the report’s recommendations, and he had now almost completed his work.

He will be carrying out training for staff involved in cartel activity during September and October.

Item 7: Risk management

The OFT’s auditors (Chiene & Tait) were represented at the meeting by Jeremy Chittleburgh and Dr Tom Mitchell. Both explained that they had interviewed the Chairman, CEO and Chief Operating Officer as well as running a workshop with OMG to assist in drafting the current risk register.

The Board said that poor project management should be accredited a higher risk value, whereas a poor outcome of the zero-based spending review should be given a much lower score. Management of poor performance needed to be included in the register. It also said that it would be useful if areas that the Board
should monitor and review, as opposed to the Audit Committee, should be highlighted.

Work on the register will continue, and the Board was asked to feed any additional individual comments it had directly to the chief Operating Officer.

**Item 8: TSS Action plan presentation (including update on OFTPlus)**

The Board noted the work that had already taken place around OFTPlus, and specifically on the Action Plan. There will be a joint programme Board to support the Action Plan, and the team is working with stakeholders to ensure that the Board is comprised of the right people to take this work forward positively. Internal discussions on funding into SR07 are now in train.

It was noted that LBRO is likely to appear during the 3rd session of the Consumer Bill, which is being promoted by the DTI.

**Item 9: Confidential issue**

The Board discussed a confidential issue.

Papers below the line

**Item 10: Management accounting information**

The Board noted the information provided for the month ended 30 June.

**Item 11: Advantages and disadvantages of the OFT remaining on the GSi Network**

The Board noted agreed with the proposal that OFT remains on the GSi network in the interim while further work is undertaken.

**Item 12: Any other business**

**Future agenda items**

There were no additional points.

**Board Planning Day**

It was agreed that this would take place on 11 October.

**October staff event**

This has shifted to November; date to be confirmed.

_Francesca Seymour_
_Secretary to the OFT Board_
_12 July 2006_
Minutes of the Office of Fair Trading Board Meeting

Thursday 7 September 2006

Present
Philip Collins (Chairman)
John Fingleton (CEO)
Allan Asher
Lord Blackwell
Richard Whish
Rosalind Wright

OFT Staff
Sue Cook
Tony Donaldson
Cavendish Elithorn
Fiammetta Gordon
Karman Gordon
Jonathan May
Brian McHenry
Simon Pritchard
Bart Smith
David Stallibrass
Vincent Smith
Christine Wade

Audit Committee
Nigel Matthews

Board Secretariat
Erik Wilson
Francesca Seymour (Board Secretary)

Item 1: Minutes from the last Board meeting (6 July) (OFT(06)7th minutes)

The minutes of the last meeting were accepted as a true record.

Matters arising:

Office of the Surveillance Commissioner’s report

The Chairman has drafted a response to the OSC which will be sent in the next few days.
Meeting with the DTI on CC designation

This took place on 25 July. No formal decision or next steps have been announced by DTI.

Non Executive Director appointments

The advertisement and packages for these appointments have been agreed, and will be advertised once we have secured Ministerial approval.

Item 2: Annual report of the Audit Committee

Nigel Matthews joined the Board for this Item to discuss the Audit Committee’s written report, which had been received in May. He said that HM Treasury has published a consultation document on an Audit Committee Handbook which includes useful points on communication between Audit Committees and Boards that would be worth following up.

He confirmed that the relationship with the new internal auditors was good. This was endorsed by the COO and both Lord Blackwell and Christine Wade, who serve on the Audit Committee.

The Board’s view was that for OFT, systems of managing and controlling risk required more attention financial issues. The CEO confirmed that he would be talking to the Auditors on how best to reflect risk management in relation to his direct reports, thus improving the linkage to performance management. Risk management is to be discussed at the Board in the coming months.

The Board noted that the timetable for this year’s report had been delayed owing to other commitments, and that ideally the report should be discussed by the Board before the internal Statement of Accounts are signed off.

Item 3: Divisional Directors Reports

Divisional Directors provided the Board with key updates on their respective areas:

Litigation

MasterCard - Costs

The judgment at the end of July instructed OFT to pay costs that arose after 31 March. Discussions with the parties have taken place, and we should have responses to our offers on 8 September.
London Metal Exchange and Celesio

Judgments on costs are expected on 8 September.

Corporate Services

HR resources

A contractor has been appointed to lead on HR issues. HR will also be increased by two or three more people as a result of the mapping exercise.

Pay offer

Balloting on the pay offer is underway.

Leadership Development Programme

This is a three and a half day programme build on three modules interspaced over a six to eight week period where mixed groups of staff look at management and leadership models using 360 degree feedback. A number of staff have already attended (including the CEO) and initial response has been positive. The CEO advised that he was thinking about something additional for the senior management team to develop senior leadership skills further.

MPI

School uniforms

It is understood that a feature in the Sunday Mirror (10 September) on our findings prior to their formal announcement the following week.

Task Force

The Banks had sought to argue that, by agreeing to their proposed governance structure, the OFT was also approving it as complying with competition law: they have been advised that this is not the case and that they must rely on self-assessment.

Newspaper and Magazine Distribution

The deadline for comments has been extended by two months at the request of various industry representatives.
Communications

Press issues

There has been a lot of good coverage and calls on default charges. Coverage on the withdrawal of ABTA from the Codes scheme had been reported fairly. There had also been a lot of coverage on milk in the last few days.

Staff

Comms has two new permanent press officers and sifting for the new Director of Communications begins next week.

Website

The team is working on a new look for the website, and is in the process of talking to users.

Consumer Direct

The last centre opens in the West Midlands in a couple of weeks, which now makes Consumer Direct a national service. Christine Cryne joins on 19 September.

CRE

CCLB

CCLB relocates to Fleetbank House on 11 September.

Legislation

Current legislative work includes the Consumer Representation and Choice Bill (which includes issues related to Consumer Voice) and a consultation on Representative Actions which aims to give consumers confidence in seeking redress. There will be a paper on this for the October Board meeting. The Board asked for a paper on the pros and cons of this work before the next meeting.

Fraud review

We are due to respond by 27 October.
Unfair Commercial Practices Directive

It was confirmed that timing was more of an issue with the UCPD than money, but it was imperative that we issue guidance.

CE

Rationalisation of cases

There will be an announcement made on this shortly. Media interest is anticipated.

Regulation of Investigatory Powers Act

The Board was advised that Covert Human Intelligence Source powers (CHIS) had only been used once in the last year or so.

Item 4: Evaluation Report

The Board was asked to note the overview of the key results of this work, and to agree the planned work for the coming months.

It was explained that evaluation of our work is a significant factor of our performance framework for CSR07, and HM Treasury is keen for us to put forward ideas to show how we can evaluate outcomes. Chris Jenkins is working with the team on this.

The team confirmed that it had made international comparisons with the US, Netherlands and Australia although the Board noted that this work was innovative so there was not much to learn from others. Work is also ongoing done on a deterrent effect study which will complement future studies.

Following discussion, the Board agreed with the points raised in the paper, and to the publication of Annexe A, although the team was asked to think about committing to a four year programme for the evaluation of market studies.

Item 5: Comprehensive Spending Review (CSR07)

The Board will be asked to sign off the performance framework at the October meeting, after which it will be submitted to HM Treasury.

Item 6: Project Beagle update

The Board was updated on Project Beagle, which will be officially implemented on 2 October.
The Board was appraised of how the four role types will work, and how this structure will help de-layer the organisation. Career progression and flexibility was also covered, as was the management of skills and allocation of staff to projects. The CEO will continue to talk to the Director Group about how they can drive the implementation of Beagle forward with their teams.

It was agreed that this should continue to be a standing item, and also include updates on Cavendish Elithorn’s new roles.

**Item 7: Competition Stocktake**

The Board discussed progress made on HM Treasury’s review of the competition regime.

**Item 8: Competition Commission Council meeting**

The Chairman ran through the agenda that the CC had provided for the forthcoming meeting with the NEDs and Jonathan May on 11 September.

It was agreed that how often the Board should meet the CC in this forum would be discussed at the October meeting.

**Item 9: Any other business**

**Executive Director appointments**

The Cabinet Office has agreed that we can advertise these posts. An update will be provided at the October Board.

**Executive Committee Structure**

The Board said that it would like this set up as a temporary structure (running from October to March) running as a dual system with SET. It would also like a diagrammatic explanation of the CEO’s explanation. The structure will be discussed in greater detail at the October Board, along with the future of the Audit and SCS Pay Committees.

**End of Year Flexibility (EYF)**

Darryl Fernandez will talk to the Board about plans for EYF in due course. The Board’s vision for 2011 will be discussed at the planning day on 11 October. It was noted that there is no need to ring-fence funds for litigation costs, as this is something that can be picked up separately with HM Treasury.
Papers below the line

Item 10:  Management accounting information

The Board noted the information provided for the month ending 31 July.

Item 11:  Update on OFTPlus

The Board noted progress made.

Francesca Seymour
Secretary to the OFT Board
8 September 2006
Minutes of the Office of Fair Trading Board Meeting

Thursday 5 October 2006

Present
Philip Collins (Chairman)
John Fingleton (CEO)
Allan Asher
Lord Blackwell
Richard Whish
Rosalind Wright

OFT Staff
Rosie Aujla
Nigel Cates
Sue Cook
Fiammetta Gordon
Alex Hunter
Gover James
Chris Jenkins
Sarah Kaye
Jonathan May
Brian McHenry
Siobhan Pointer
Simon Priddis
Chris Rawlins
Debbie Samosa
Bart Smith
Vincent Smith
Christine Wade
Rob Williamson
Tim Wilson
Graham Winton

Private Office
Erik Wilson
Francesca Seymour (Board Secretary)
Item 1: Minutes from the last Board meeting (7 September) (OFT(06)8th minutes)

The minutes of the last meeting were accepted as a true record.

Matters arising:

Office of the Surveillance Commissioner’s report

Following the Chairman’s response to Sir Andrew Leggatt a request for an inspection has been received from Sir Christopher Rose (Sir Andrew’s further successor). The Chairman has replied saying that another inspection may be of more benefit if held in a couple of months time.

Item 2: Divisional Directors Reports

Divisional Directors provided the Board with key updates on their respective areas:

Corporate Services

BlackBerrys

The roll-out programme for the issue of BlackBerrys is underway.

Facilities Management multi-activity contract

Savings expected following the appointment of the new supplier have been higher than anticipated – around £1m.

Comprehensive Spending Review 07 (CSR07)

HM Treasury is keen to settle this month. A business case on how we will use End Year Flexibility has also been requested.

The closure of Craven House was completed to meet the original target date. The CCLB IT system has been funded, but a delay in testing has meant that it is not yet operational.

Market Policy Initiatives

Pharmaceutical Pricing Regulation Scheme

A meeting with the Association of British Pharmaceutical Industries (ABPI) had exposed OFT’s thinking on changes to the current system, with which the ABPI are broadly content.
Consumer Codes Approval Scheme Evaluation

It was confirmed that the delay in this work was not due to any serious problems.

Consumer Regulation Enforcement

Consumer Direct

The feasibility study looking at whether FSA consumer calls should be taken on by Consumer Direct is on hold. There has been excellent cross-office take-up of visiting call centres. The COO is discussing costs of Consumer Direct with Christine Cryne, who will come to either the November or December Board meeting. It was noted that call volumes were exceeding current capacity.

Consumer Voice

There is no news on the nature and timing of a decision on Consumer Voice at present.

Competition Enforcement

Rationalisation of cases

Since July, five cases have been closed, bringing the caseload down to approximately 25. It was confirmed that the criteria being used are the old CE criteria. Some of the cases that are being closed are two years old.

Annual Plan

The Chairman noted that OFT was now at the half-way point in the year, and we needed to consider the commitments made in our Annual Plan, whether these were achievable and, if not, the reasons for non-achievement. It was agreed that we need to review this in the context of the fundamental changes being implemented in the OFT and how this is presented. There will be a report back to the Board in December or January.

Communications

Staff issues

A new Head of News and a new Press Officer have been appointed. The teams dealing with proactive communications have been re-structured to focus on business and consumer education delivery through partners to enable resources to be used more effectively.
Item 3: Representative Actions

Representative Actions are planned as part of the proposed Consumer Choice and Representation Bill. The Board was asked to approve OFT's response to the DTI consultation, which came out of the DTI Consumer Strategy. The Board noted that redress fits in well with the OFT strategy and work being done on private enforcement.

Following discussion, the Board agreed that it was content with the proposed response to DTI. This issue will come back to the Board once DTI has responded, when our role can be discussed strategically, and whether OFT should be a designated body.

Item 4: Banking

The team sought Board approval for the new strategy for OFT's approach to banking. The paper outlined cross-Office input to this work, which was welcomed by the Board.

The Board was advised that this work was at its early stages, but the team had a clear indication of the direction that the OFT should take.

The Board approved the forward work plan, and noted that this work would need careful handling, especially externally. It welcomed and congratulated the team on the first cross-office/stakeholder paper of the Beagle era.

Item 5: Payment Systems

This was last seen by the Board in April. The Board was asked to agree to the proposal that the Task Force be wound up, and to welcome the new governance model, the Payment Industry Association (PIA). The team is also reaching its conclusion in the Cheques Working Group, which should be published in early November.

The Board was advised that we would want to undertake a review of the PIA at the two year point, and we will be talking to the independent Chair on a regular basis.

The Board confirmed that it was happy with what was proposed, but that the objectives of the PIA two year review need to be clarified.

Additional Item: Home Credit

The Board discussed the remedy that the CC has proposed for Home Credit.
Item 6: Payment Protection Insurance Study

The team sought Board approval to consult on referring this study to the CC, bearing in mind what sort of remedies the CC might propose. The Board welcomed this comprehensive paper. The Board questioned whether all the alternatives had been exhausted in view of the length of time and extent of detriment. It was noted that the Consumer Education Alliance Group would be a good vehicle to get our messages across to consumers.

Following discussion, the Board agreed to the plan to consult on a reference, and that mortgage PPI should be included in the consultation. Storecards would not be included; if those consulted did not agree they would say so.

Item 7: CSR07 Performance Framework

The Board congratulated the team on an excellent paper.

The Board was asked for its view on the draft performance framework for 2008-11 that is required by HM Treasury in support of CSR07. It was explained that the focus is now based more on outcomes than outputs. The final version of the document will have a preface explaining OFT’s role. The Board was advised that the performance framework will be signed off by the CEO by the end of October.

Item 8: Executive Structure

The CEO presented the Board with his interim proposals for the executive structure and committees. All committees were aimed at being supportive environments, with as little bureaucracy as possible. The matter would come back to the Board in February for discussion, seeking formal sign-off for a final structure on 1 April.

The Board welcomed the proposal, although it was important to avoid too many meetings involving the same people. The Board was advised that the views of the senior team on how this worked in practice would be sought before the final sign-off was recommended.

Item 9: Any other business

The Board discussed several issues in closed session.
Papers below the line

Item 10: Management accounting information

The Board noted the information provided for the six months ending 30 September.

Francesca Seymour
Secretary to the OFT Board
9 October 2006
Minutes of the Office of Fair Trading Board Meeting

Thursday 2 November 2006

Present
Philip Collins (Chairman)
John Fingleton (CEO)
Allan Asher
Lord Blackwell
Richard Whish
Rosalind Wright

OFT Staff
Paul Burton
Nigel Cates
Tony Donaldson
Jonathan May
Brian McHenry
Alan McNaboe
Hannah Priest
Bart Smith
Vincent Smith
David Ruck
Christine Wade

Board Secretariat
Erik Wilson
Francesca Seymour (Board Secretary)

Item 1: Minutes from the last Board meeting (5 October) (OFT(06)9th minutes)

The minutes of the last meeting were accepted as a true record, subject to two amendments.

Matters arising:

NED recruitment process

The Board noted that there had been 121 applications which had been reduced to a long list of 27. Rockpools together with the Independent Assessor will now engage with candidates on the shortlist individually to evaluate their suitability for the posts and make a report to the Panel for the short listing stage.
The Board noted that the inspection of the OFT’s operation of the RIPPA powers is scheduled to take place on Tuesday, 20 March 2007.

**Competition case**

An update will be given to the Board in December.

**Item 2: ExCo Report**

The Executive provided the Board with key updates on their respective areas:

**CEO**

**Director Communications post**

A fresh recruitment exercise will commence in the New Year.

**Executive Director, Markets & Projects**

The interview panel has been convened and will include Chris Stephens (Commissioners), Richard Whish (NED), John Fingleton and Catherine Bell (formerly DTI) as Chair. The long list sift is scheduled to take place on 9 November with a view to completing the exercise before Christmas, subject to scheduling restraints.

**Private Enforcement workshop**

Feedback from participants indicated that this event was a resounding success. The Board expressed its gratitude to Steven Altham, Ali Nikpay, Francesca Seymour, Katerina Soteri and Louise Bridger and Sarah Bowles from Events for delivering a successful conference.

**SME banking review**

The aim of the project has been to review the undertakings put in place following the 2002 Competition Commission report. The focus has been particularly on the transitional undertakings, which require the four largest banks in England & Wales to offer SME customers either interest on credit balances at 2.5 per cent below the base rate, or free core money transmission services.

A paper will come to the Board in due course.
Chief Operating Officer

Prioritisation Committee

Bart Smith is currently chairing the Prioritisation Committee. It has received a request for 130 posts to be filled. The committee are currently considering each application on its merits and developing a medium- and long-term recruitment strategy.

Human Resources

The Board noted staffing pressures in Human Resources.

CSR07

A meeting with HMT is scheduled to discuss the OFT’s position.

Assistant Chief Executive

Consumer Direct – Maidstone location

Discussion are commencing with staff at Maidstone with a view to relocating this team to Fleetbank House.

General Counsel

Toys and kit

Both appeals have been dismissed, and right of appeal to the House of Lords refused.

Achilles

This has been dismissed by the Competition Appeals Tribunal.

Knapper

This case has been settled.

Brannigan

This case is now in the public domain. Mr Brannigan has been asked to submit a revised notice of appeal.
General

The Board agreed that a process of regular reviews on what has been covered from completed cases should be set-up, possibly inviting a Non-Executive Director to take part on more significant cases. This will complement the internal competition know-how sessions, which incorporated updates on recent cases, already in place.

Item 3: Annual Plan

The Board congratulated Nigel Cates on the draft of the Annual Plan. The team has held several staff events that have been attended by 130 staff, and the resulting comments have proved useful for both parties. The team will be targeting individual organisations as part of the ongoing consultation process to meet with either Jonathan May or Ray Watson.

The Board noted that the draft was in the process of being re-structured to include a new section on business focus, and to improve the links between competition and consumer work.

In addition to some minor textual changes, the Board asked that specific reference to our joint working with the FSA be added, and how we work in partnership with business and consumer groups. Our move towards more flexible use of resources should be noted early in the document, and career management and recruitment also needs to be mentioned.

The Plan will be published before 5 December, following electronic clearance of the revised draft by the Board.

Item 4: Market investigation

The Board discussed an ongoing market investigation.

Item 5: Any other business

Concurrency

The Board discussed how the OFT should respond to the DTI/HM Treasury consultation on concurrency. It was decided that Vincent Smith would prepare our response.

Executive Committee (ExCo) Away Day

The Board was advised that the first ExCo away day had gone well. More is being done to improve internal communications, specifically the cascading of information from Grade 5 down. The half-yearly appraisal
process is well underway, with the Chairman and CEO acting as role models for the SCS in leading on a programme of extensive 360 degree feedback.

Staff issues

The Board was informed that Alan Williams will act as Senior Director for the Services group behind Simon Priddis.

Competition stocktake

The next quadrilateral meeting with the DTI, HM Treasury and the Competition Commission will take place on 15 November.

Papers below the line

Item 7: Management accounting information

The Board noted the information provided for the six months ending 30 September.

Item 8: FSA Joint Action Plan

The Board noted the content of this information paper.

Item 9: Beagle Implementation update

The Board noted the content of this update.

Francesca Seymour
Secretary to the OFT Board
3 November 2006
Minutes of the Office of Fair Trading Board Meeting

Thursday 7 December 2006

Present
Philip Collins (Chairman)
John Fingleton (CEO)
Lord Blackwell
Richard Whish
Rosalind Wright

Apologies
Allan Asher
Jonathan May

OFT Staff
Brian McHenry
Bart Smith
Vincent Smith
Christine Wade

Executive Office
Francesca Seymour (Board Secretary)
Erik Wilson

Item 1: Minutes from the last Board meeting (2 November)
(OFT(06)10th minutes)

Subject to minor changes, the minutes were accepted as a true record.

Matters arising

Non - Executive recruitment

Eleven candidates are being interviewed for these posts in the week commencing 11 December.

Quadrilateral meeting - Competition Stocktake

The Secretary of State has given his approval to a consultation towards legislation.
Airports

The publication date of the OFT report is 2 December.

Item 2: ExCo Report

The Executive provided the Board with key updates on their respective areas:

CEO

Farepak

The CEO will be writing to the Secretary of State in the next few days on Farepak. We will bring out the relevance to the DTI proposals for consumer redress - this is a situation where redress would be better than ex ante regulation – and focus on the position of consumers as creditors.

Beagle

The principles of the new structure have been agreed, and are gradually being brought in practice. ExCo is assisting the Prioritisation Committee (PriCo) on what work needs to continue, and what needs to cease.

Promotion standards and approaches are being brought into line across the office, with plans for an internal G7 to G6 board in January. There will be the need to advertise some posts externally. This process, and subsequent recruitment and promotion rounds, will continue for some months.

The cost of the move to open plan will come to the Board in due course. The Board noted that Facilities Management and the IT team had done a great job in getting everyone back to work so quickly.

Comprehensive Spending Review 07 (CSR 07)

Negotiations with HM Treasury (HMT) continue.

Chief Operating Officer

Promod

The Board noted that the anticipated 'go live' date was now 5 February, although the picture will be clearer come January. The delay has been caused due to further problems with data migration.
Assistant Chief Executive

Local Better Regulation Office (LBRO)

The LBRO is now to be part of the Better Regulation Executive (BRE). The work is being led by Hugh McNeil of BRE. Adverts for a Chair will be placed in January and he/she will be appointed during the Spring, and the LBRO Board will be appointed in the Summer.

General Counsel

Magnetic Jewellery

This matter has now been settled.

Vance Miller

This is a good example of partnership working with the TSS.

Director of Communications

A new strategic voice for the OFT is being developed. This will come to the Board in the New Year.

The Board noted that the Competition Commission’s report on Home Credit had been published.

Item 3: OFT/TSS programme of joint action

There are two themes to the programme: partnership and funding. The Board noted that our relationship with the Better Regulation Executive is good, and we will be working more with it in the future.

A draft proposal on outputs will be ready by the end of March. TSS outcomes form part of the Annual Plan, and we need to think about how these can add value to other parts of the office. The team is talking to the evaluation team to work out the best way to measure outcomes from this work.

Item 4: Output delivery as set out in the 06/07 Annual Plan

Sarah Kaye updated the Board orally on progress against each objective in the Annual Plan. With some exceptions, principally as a result of the change programme, all are on target for completion by the end of March, and in the Annual Report. The Board was advised that following the NAO review we are obliged to report on performance against competition targets in the Annual Report.
The Board welcomed this useful update, and asked for a further update in February.

**Item 5: Current case**

The Board was updated on progress on a current case.

**Item 6: Any other business**

**Staffing issues**

The Board was advised that Jonathan May’s appointment to the Board will come into effect on receipt of his appointment letter from Secretary of State.

**Executive Director and Senior Director posts**

Four candidates will be interviewed on 15 January for this post. KPMG is leading on the Senior Director recruitment.

**Papers below the line**

**Item 7: Scottish representation**

The Board agreed the proposal in this paper.

**Item 8: Management accounting information**

The Board noted the information provided for the six months ending 31 October.

**Item 9: Promod update**

The Board noted the content of this information paper, which had been updated by the COO in his oral report.

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**Francesca Seymour**  
**Secretary to the OFT Board**  
**11 December 2006**