Minutes of the Office of Fair Trading Board Meeting

Monday 19 January 2004

Present:

OFT Board
John Vickers (Chairman)
Penny Boys (Executive Director)
Allan Asher (Items 1 – 10)
Lord Blackwell
Christine Farnish
Rosalind Wright

Apologies:
Richard Whish

OFT Staff
Keith Davis (Item 5)
Tim Elgar (Item 8)
Darryl Fernandez (Items 6 and 7)
David Fisher (Items 1, 2, 6, 7, 8)
Daniel Gordon (Items 3, 4 and 5)
Paul Gurowich (Item 10)
Ray Hall (Item 11)
Phelan Hill (Item 5)
Jonathan May (Items 3, 4 and 5)
Helen Oates (Item 3)
Siobhan Pointer (Item 4)
Chris Portman (Item 11)
Mike Ricketts (Items 1 – 7 and 11)
Vincent Smith (Items 1 – 5)
Christine Wade (Items 1, 9, 10 and 11)
Ray Watson (Item 9)
Rob Williamson (Item 5)
Graham Winton (Items 3 and 4)
Steven Wood (Item 10)
Ray Woolley (Item 10)

Board Secretariat
Erik Wilson
Francesca Seymour (Secretary)
Paul Clark (Items 6 – 12)

Item 1: Minutes from Board meeting (15 December) (OFT(03)8th minutes)

The minutes of the last meeting were accepted as a true record.
Item 2: Progress Report (OFT(04)01)

In addition to the information provided in the Progress Report, the Board was updated on the following issues:

EC Modernisation

DTI has published its response to the consultation document.

Supermarket Code

The review of the Supermarket Code should be completed shortly.

Security incident

The Board was advised that there had been a break-in at Fleetbank House. Nothing was taken, and the IT system was not compromised. A review of security was underway.

LEK update

It was agreed that the non-executives would be sent the Executive Summary of the LEK report. The Board was interested in attending an internal presentation by LEK.

iSOFT/Torex

The hearing for the appeal will take place on 3 and 4 February.

External stakeholder events

The lack of engagement by those attending the London stakeholder event was disappointing. It was suggested that workshops for specialist groups (e.g. lawyers, businesses) may be more productive. Such events were useful, but were resource intensive. Another suggestion for the future could be to include 2 or 3 stakeholders to form part of those presenting. This latter suggestion is being actively considered.

The Edinburgh event had been much more lively and interactive, and lessons learnt will be picked up for other events. If this proved to be a success, a similar event may be identified for Wales and Northern Ireland. The announcement of a roving OFT representative for Scotland was welcomed. In organisation terms both the London and Scotland events were regarded as having gone very smoothly.

Legal review

It was agreed that the Board would be kept informed on the implementation of the review of legal resources recommendations through monthly progress reports.

Hay review

The Board will be invited to attend the next Senior Management Meeting on 2 February which will include a presentation by the Hay team. The Executive Summary of the Hay report will be circulated to the non-executives. The Board will discuss the OFT’s HR
policy and strategy, including pay and performance, at the March Board meeting, to which the independent member of the SCS Pay Committee will also attend.

Item 3: **Market study (OFT(04)02)**

The Board agreed to a 12 month study.

Item 4: **Market study (OFT(04)03)**

The Board agreed to a 3 month study (to conclude no later than September).

Item 5: **Doorstep selling (OFT(04)04)**

*(Allan Asher left the room during the discussion on energy sales)*

The Board was updated on the doorstep selling study, and the potential recommendations. The OFT report is due to be published in the Spring.

Item 6: **Quarterly performance and financial report (OFT(04)05)**

The Board was asked to note the contents of the quarterly performance report for the nine months to December. For the first time the report included risk assurance statements from each Director. It was agreed that in future Directors should be present to answer questions on their respective Divisions.

The Board noted the contents of the report, and that delivery and performance would be discussed in greater depth in February.

Item 7: **SR04 (OFT(04)06)**

The Board considered a paper tabled at the meeting which recommended that we should not bid for additional funds for SR04.

Bids are due to be made to HM Treasury in late April. Following discussion, The Board was minded not to bid, but to take up the end year flexibility (EYF). In advising the Treasury, OFT should note the financial risks associated with an adverse legal rulings.

Item 8: **EU Information and Consultation Directive requirement for staff consultation arrangements (OFT(04)07)**

The Board noted the content of this paper and agreed that we should develop a mechanism for informing and consulting with staff. This will make us compliant with the EU Directive which is to be adopted in the UK by March 2005.
**Item 9: Update on CCA reforms (OFT(04)08)**

The team advised the Board that the proposals for reform in DTI’s White Paper published on 15 December had, subject to one area (detailed below) contained all the main points for which OFT had pressed. Proposed changes to secondary credit legislation were also announced in a consultation paper issued with the White Paper. Responses to that consultation paper were required by 15 March 2004. The team would prepare a draft OFT response to the consultation paper, and the Board’s clearance would be sought during February.

**Item 10: Unfair contracts legislation: OFT’s role in protecting small businesses (OFT(04)09)**

The Board noted that the Law Commissions’ proposal to extend OFT’s regulatory role to business to business (B2B) contracts, as part of consolidating separate pieces of legislation on unfair contract terms, had been revised. The revised proposal would protect only micro businesses (defined as employing 9 or fewer employees), and would only cover standard i.e. not individually negotiated, terms in contracts.

The Board considered whether it was in the interests of the OFT to take on such preventive responsibility for enforcing unfair terms legislation in favour of any category of business. The primary focus of the OFT was to make markets work well for consumers, and not business.

The Board concluded that on balance the OFT should not seek a preventive role in relation to B2B contracts. Businesses themselves could enforce the extra rights the Law Commission has proposed, whether individually or with the support of their trade associations, or a preventive role could be given to another agency that had a business focus, such as the DTI’s Small Business Service. The OFT would contribute as an educator, and its guidance and precedent work on B2C contracts would be of value in applying the consolidated law to B2B contracts.

**Item 11: Update on IT issues (OFT(04)10)**

The Board was advised that IT at CCLB is currently subject to review. The Board agreed that the systems used at CCLB were in need of renewal. The team noted that although the main CCLB IT system would not be replaced until 2006, there was scope for some of the support system to be replaced earlier. This would be considered as part of the business case before wide-reaching changes to the IT systems at CCLB could be phased in – in the interim it will only be possible to make smaller changes.

It was agreed that a paper would be submitted to the Board with proposals on how the project should be managed. The Board noted that further work was necessary on how the project would be resourced, given that the OFT will not be making a case for supplementary funding to the Treasury.

The Board requested that further work be done to calculate projected costs, with figures to be presented at the May Board meeting.
Item 12: **Any other business**

There was no other business to discuss. The Board will next meet for its Away Day on 16/17 February.

**Board Secretariat**  
21 January 2004
Minutes of the Office of Fair Trading Board Away Day

16/17 February 2004

Present:

OFT Board
John Vickers (Chairman)
Penny Boys (Executive Director)
Allan Asher
Lord Blackwell
Christine Farnish
Richard Whish
Rosalind Wright

OFT Directors
Pat Edwards
David Fisher
Jonathan May
Mike Ricketts
Vincent Smith
Christine Wade

Board Secretariat
Francesca Seymour (Secretary)
Erik Wilson

Item 1: **Chairman’s welcome and introduction**

The Chairman welcomed everyone to the Spread Eagle, and proposed changes to the agenda. It was agreed that Item 4, OFT’s responses to the DTI consultation paper on Consumer Credit reform, would be circulated to the Board on paper for comments. The performance management framework for HM Treasury would be discussed at Item 4.

Item 2: **Minutes from the last meeting (19 January) (OFT(04)1st minutes)**

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

Item 3: **Progress Report (OFT(04)19)**

In addition to the information provided in the Progress Report, the Board was updated on the following issues:

*Supermarkets Code*

This is due to be published on 20 February.
**Isof/Torex**

The judgment is due to be delivered on 19 February.

**Taxis**

The Transport Select Committee’s report on the taxis market study was noted.

**Future of Trading Standards**

The Board asked what options were being considered for the future of Trading Standards. Conclusions on this depend on DTI and Treasury thinking, as informed by the consumer strategy group set up following the DTI benchmarking study.

**Business education**

At the Board’s meeting with the CBI on 10 February the question of education for the business community was raised. It was confirmed that this was an important and ongoing part of our education programme, and that the CBI was made aware of the roadshows, and their members invited to attend.

**Legal Review**

The Board was glad to see progress was being made on the legal review and thanked everyone involved for their hard work.

**Item 4: Performance management framework**

The Board was discussed the performance management agreement to support continued funding of £54m pa for the OFT, following our decision to opt out of SR04.

**Item 5: Review of the last year and priorities for the next 3 years**

The Chairman asked that each Director produce a summary of the key points raised by the Board for his/her Division. Each Director provided a review of the last year and priorities for the future, and discussed key points with the Board.

**Item 6: Improving project management**

The Board welcomed the LEK report as a useful piece of work that had identified some key recommendations. MPI had gone through the recommendations (which were received quite positively) on a recent away day and work was now in hand to achieve these. The Board said that some of the recommendations were relevant to other parts of OFT, and as such the LEK report should be shared across the Office. It was confirmed that LEK’s findings would be discussed with OMG.

The Taxis market study had gone well due to more involvement by senior staff, and serious consideration of stakeholder management.
It was agreed that PRINCE methodology was useful for IT projects, but there is a need for a different project management approach for a wide range of projects (e.g. consumer detriment and the implementation of the new credit regime) as well as major enforcement cases and MPI work. The work proposed by W S Atkins would be looked at again: it needed to match OFT’s requirements.

**Item 7: Annual Plan consultation update and timetable for Annual Report**

**Annual Plan**

Comments on the draft Annual Plan are to be sent to David Fisher by 20 February. The final version will be signed off at the March Board meeting.

**Annual Report**

The Board confirmed that it was content with the draft schema and timetable for the Annual Report.

**17 February**

**Item 8: Review of procedures**

It was agreed that the current start time of 1000 for Board meetings would remain, with the pre-meeting for non-executives taking place beforehand at 0945 sharp.

The Board agreed that it would prefer to see fewer management papers, and to use its time concentrating on policy and strategic issues. It confirmed that it was content with the process of managing papers taken outside of the meeting, and proposed that some of these be added to the agenda but “below the line”. If a discussion was needed, the Board Secretary would be advised beforehand. It was suggested that presentations over lunch, or prior to the Board dinners would also be welcome, as would briefings on big cases.

The Board raised concern that it still knew relatively little about processes. This will be addressed by meeting Branch Directors and attending Branch meetings as appropriate. The Board did not want additional meetings set up to meet other members of teams.

On Board dinners, it was agreed that individual Board members would notify the Board Secretary if there were any specific people they wanted to be invited to attend.

It is noted that the Board needs to respond to the Audit Committee on how it is performing its role.

**Item 9: Succession planning**

The Board discussed the future roles of Chairman and Chief Executive.
Item 10: **Role of Board members**

The Board has undertaken a lot of learning in its first year. Now is the time to think about wider issues, e.g. how OFT’s capabilities link with UK competitiveness and resources. There is also scope to be more proactive around the market studies and consumer credit, and by May/June we should have the criteria for studying markets from NERA, and the mapping from the consumer detriment study which will need to be pulled together.

It was agreed to commission work on consumer policy, and to undertake a survey of what was emerging from cases on a sectoral basis, linking this to the productivity agenda. Both pieces of work will be presented to the Board at its June meeting, which will be off-site.

The Board would also like to meet visitors as the opportunity arises.

Item 11: **Performance of the Executive**

The Board provided its thoughts on the performance of individual Directors as part of the 360° feedback programme. Comments were not recorded by the Board Secretary.

Item 12: **Any other business**

The Board asked for an update on the progress of IIP, and was advised that the learning and development framework needed to be cleared at OMG, prior to the assessors return in early April.

There was no other business to discuss. The next Board meeting will take place on 15 March in the OFT Board Room. Gerry Sutcliffe MP will join the Board for lunch, and Sir Geoffrey Owen (OFT Pay Committee) will join the meeting for the discussion on HR strategy.

Francesca Seymour  
Secretary to the Board  
19 February 2004
Minutes of the Office of Fair Trading Board Meeting

Monday 15 March 2004

Present:

OFT Board
John Vickers (Chairman)
Penny Boys (Executive Director)
Allan Asher
Lord Blackwell (Items 4 – 6)
Richard Whish
Rosalind Wright

Apologies:
Christine Farnish

OFT Audit Committee and SCS Pay Committee
Sir Geoffrey Owen (Item 4)

OFT Staff
Pat Edwards (Items 1 – 3 and 5)
Tim Elgar (Item 4)
Darryl Fernandez (Items 3 and 5)
David Fisher (Items 1 – 5)
Karen Fonseka (Item 4)
Jonathan May (Items 1 – 4)
Mo Morter (Item 4)
Mike Ricketts (Items 1, 2, 3, 5 and 6)
Vincent Smith (Items 1, 2, 3 and 6)
Christine Wade (Items 1 – 5)
Simon Williams (Item 6)

Board Secretariat
Erik Wilson
Francesca Seymour (Secretary)
Paul Clark (Items 4 - 6)

Item 1: Minutes from Board away day (16 & 17 February)
(OFT(04)2nd minutes)

The minutes of the last meeting were accepted as a true record.
In addition to the information provided in the Progress Report paper, the Board was updated on the following issues:

**West Midlands Roofing**

The Board were sent a separate note on this case which is ready to go imminently.

**Credit Cards survey**

The research in credit cards and debt will be published on 16 March. This highlights how consumers can fail to appreciate costs, thus leading to mounting debt, and is supportive of the Schumer box approach to provide clear information on payment timetables and interest rates.

**Lyons Review**

The Board was advised that the Lyons review was published that day (15 March.) This review looks at relocation of the Civil Service out of the south-east. While it does not specify OFT per se, it does question whether the independence of NDPBs and regulators would be enhanced if located outside London. Ofwat was cited as a good example of this.

Staff have been advised that the Board’s present position is that we remain in London. If other regulators move, this could be reviewed.

**Mass Marketing seminar**

Ros Wright had attended the recent mass marketing seminar on fraud, which had gone very well. It was agreed that the publication on scams should be distributed more widely.

**Isoft/Torex**

It was confirmed that the judgment is available electronically via the Court of Appeal’s website.

**Genzyme**

Genzyme is currently considering its position with regard to an appeal.

**Fines**

The guidance on fines is due to be published shortly, along with other guidance that has been revised as part of EC modernisation. This new guidance allows for more flexibility and discretion.

**Taxis**

The response from the Government is expected later this week.
SR04

The Board was advised that the proposals for SR04 discussed at the Board away day were accepted by HM Treasury. Final confirmation of funding will be received in June or July.

Item 3: Budget Allocations (OFT(04)25)

The Board was invited to agree the allocations for 04/05 proposed in this paper, including the additional funding for codes and the consumer detriment project in the addendum paper. It was advised that we know what the OFT’s budget is likely to be for the next four years. Provisional allocations for 05/06 to 07/08 will be put forward in the Autumn for approval by the Board.

The budget allocations for 04-05 and the proposal to allocate funding for 05-06 to 07-08 in the autumn were approved by the Board and all involved were thanked for their hard work.

Item 4: HR policy and strategy (OFT(04)26)

The Board considered the paper which set out the OFT’s policy and strategy in the context of the recent Hay Review.

The Board widely supported the recommendations within the paper, and in addition to the recommendations made it was decided that further work should be undertaken to:

- increase existing staff flexibility, particularly flexibility between divisions. When recruiting new staff, evidence of flexible working capability should be sought as part of the selection process (particularly in the case of lawyers)
- fast-track procedures for dealing fairly with poorly performing staff - it was recognised that the OFT has a cultural problem in identifying and dealing with poor performers
- include references to diversity on page 2 under the Key Business Success Factors list
- consider working more closely with Trading Standards and other organisations and encouraging shared and compatible career paths between the partner organisations
- introduce clearer distinctions in levels of bonus payments to reflect performance
- unpack what ‘legal expertise’ means as referred to within the paper to accommodate the need for flexibility and litigation experience, as defined within the ongoing Legal Review
Item 5: Colorvision (OFT(04)29)

The Board were briefed on the implications of the Ombudsman’s draft report.

Item 6: Cartels Presentation

The Board was given a short presentation on cartels work by the Director of CE3.

Items 7 – 10: Items below the line

The Board did not wish to discuss any of the Items that appeared below the line on the agenda.

Item 11: Any other business

Store cards

The store cards report will be published on 18 March.

OFT values

The Board suggested that it might be useful to receive a presentation from the HR and Comms teams on how their work links with the stated OFT values in the Annual Plan at a future Board meeting.

Possible Corporate Strategy

Allan Asher agreed to draft a note for the Board on what a possible corporate strategy for OFT might contain.

Next meeting

The Board will next meet formally on 19 April. This meeting will be followed by dinner with members of MPI.

Francesca Seymour
Secretary to the Board
Minutes of the Office of Fair Trading Board Meeting

Monday 19 April 2004

Present:

OFT Board
John Vickers (Chairman)
Penny Boys (Executive Director)
Lord Blackwell
Christine Farnish
Rosalind Wright

Apologies:
Allan Asher
Richard Whish

OFT Staff
Bill Brown (Item 6)
Pat Edwards (Items 1, 2 and 3)
Keith Davis (Item 4)
Gustaf Duhs (Item 6)
Darryl Fernandez (Item 3)
David Fisher (Items 2, 3 and 8)
Daniel Gordon (Item 4)
Graham Hewett (Item 8)
Mark Kram (Item 9)
Miriam Lewis (Item 3)
Jonathan May (Items 2, 3, 4 and 5)
Becket McGrath (Item 6)
David Osmon (Item 5)
Russ Phillips (Item 6)
Edward Ray (Item 6)
Mike Ricketts (Items 1 - 6)
Christine Wade (Items 1, 2 and 3)

Board Secretariat
Erik Wilson
Francesca Seymour (Secretary)

Item 1: Minutes from Board meeting (15 March) (OFT(04)3rd minutes)

Subject to the amendment of a typing error, the minutes of the last meeting were accepted as a true record.
Item 2: Progress Report (OFT(04)30)

In addition to the information provided in the Progress Report paper, the Board was updated on the following issues:

*Solicitor to OFT*

Brian McHenry (currently at the CC) takes up the post of Solicitor to the OFT on 28 June. An e-mail will be going out to all staff alerting them to this, with an external press release later this week.

*Consumer debt seminar*

Penny will attend the Conservative seminar on consumer debt on 20 April. There will be two sessions; an open session attended by the press, and a closed session with industry and consumer organisations at which Penny will attend to comment on the key facts.

*GCR rating*

The ranking of the UK as third in the world was judged to be fair. It is believed that the conclusions of this exercise will be fairly consistent with the GCR.

*Estate Agents*

The feedback on the Estate Agents study had been evenly balanced, which was predictable. The Board agreed that there were lessons to be learnt from the conduct of this study, particularly the time it took to complete.

*Hampton Review*

The OFT is taking a pragmatic approach to the Hampton review; we regard Trading Standards as an important partner and understand that there is no appetite within Government for radical change. The final report should be published fairly soon.

*Updates on cases*

{Some concern was expressed about the effectiveness of case management processes}. The Board agreed that it would be helpful to receive presentations from Branch Directors on key cases in their respective areas. The Chairman will be receiving a “skeleton of the week” to enable him to get more engaged with ongoing cases.

Item 3: Quarterly finance and performance report (OFT(04)32)

Directors were invited to discuss their assurances to the Board at the table. The Board noted the projected results for the year and that the final figures would be available shortly.
Item 4:  **Taxis – lessons learnt (OFT(04)32)**

The team confirmed that the responses we had received had not changed our view and analysis. User groups had been very much in favour of the study, although more could have been made of our engagement with them – in this case in particular, disabled groups. It was agreed that this report was handled well.

An independent review of this study had been undertaken by Leeds University. It was noted that the study had been a good example of cross-Office working.

Item 5:  **Market investigation - (OFT(04)33)**

The Board was asked to agree the way forward in an ongoing market investigation.

Item 6:  **Case Presentation**

The Board received a presentation on an ongoing CE4 case.

Items 7 – 8:  **Items below the line**

The Board did not wish to discuss Item 7.

Item 8:  **Health and Safety**

An action plan, driven by the gap analysis identified by external contractors, has been put in place to address the key shortcomings. Penny will be kept informed on progress throughout the year. The Board was happy with the explanation of management of health and safety risks in the short term.

Item 9:  **Any other business**

The following other business was discussed:

**Meeting with HM Treasury**

The Board agreed to meet the Treasury team over lunch at the Board meeting on 17 May.

**Next meeting**

The Board will next meet on 17 May.

Francesca Seymour
Secretary to the Board
20 April 2004
Minutes of the Office of Fair Trading Board Meeting

Monday 17 May 2004

Present:

OFT Board
Allan Asher
Lord Blackwell
Penny Boys (Executive Director)
Christine Farnish
John Vickers (Chairman)
Richard Whish
Rosalind Wright

Apologies:

OFT Staff
Frances Barr
David Beckett
Sue Cook
Justin Coombs
Pat Edwards
David Fisher
Peter Hill
Peter Lukacs
Jonathan May
Nick Newling
Mike Ricketts
Vincent Smith
Christine Wade
Ray Watson
Alan Williams

Board Secretariat
Paul Clark
Erik Wilson

Item 1: **Minutes from Board meeting (19 April) (OFT(04)4th minutes)**

The minutes of the 19 April were accepted as a true record, subject to three drafting points.
Item 2: Progress Report (OFT(04)37)

In addition to the Progress Report paper, the Board was updated on the following issues:

**Car Warranties**

All manufacturers have now untied their warranties to allow for servicing outside their own dealership networks.

**Estate Agents**

Discussions with OGDs on Estate Agents have gone well.

**ICN**

The ICN conference in Korea had been a success. Delegates had discussed proposals to blend elements of consumer and competition law. Working groups and discussion forums would continue this work.

The OFT had led the subgroup working on merger guidelines and its report to the conference was well received. With the Irish competition authority we would take forward further work on merger guidelines at the request of ICN members.

**Legal Review**

A difficulty in giving effect to dual reporting guidelines appeared to have been resolved.

**IBA Appeal v. ISOFT/Torex Decision**

OFT will now be liable to pay a percentage of the Court of Appeal costs in this case.

**Federation of Wholesale Distributors (FWD)**

FWD has been ordered by CAT to pay a percentage of OFT’s costs having dropped its appeal in a merger case.

**Case Work Processes**

The Board agreed that case skeletons on main cases were useful to identify key issues. It was also agreed that lists of key cases and issues should be drawn up and distributed to the Board.

**Investors in People (iiP)**

It was noted that the OFT has regained full accreditation and is taking measures to ensure this is retained.

Item 3: CCA Reform (OFT(04)39)

The Board received an update on CCA reform.
Item 4: Consumer Education (OFT(04)40)

The National Strategy Group has met three times, and there has been encouraging progress towards a clear sense of purpose. A draft strategy is in preparation. The Strategy Group plans to consult on this externally at the end of June with the aim of a public launch thereafter. The Board will receive an update on progress in 6 months time, and a full review of the group’s success will be conducted in due course.

Item 5: Case Update Presentation by CE6

The Board received a presentation of case work processes involved on a number of cases in CE6.

Item 6: CE Case (OFT(04)41)

The Board were invited to consider options as to how a current CE case should be progressed.

Items 7 – 9 were below the line and not discussed

Item 10: Corporate Risk Register (OFT(04)43)

The Board raised a minor drafting issue in respect of this paper. References to ‘we’ within the paper are intended to be inclusive of both Board members and Directors.

John Vickers requested that reference be made to the role of the Secretariat in ensuring that the Board has the information it requires to enable it to fulfil its governance role.

Next meeting

No other business was discussed. The next Board meeting will be on 21 June.

Paul Clark
Board Secretariat
May 2004
Minutes of the Office of Fair Trading Board Meeting

Monday 21 June 2004

Present:

OFT Board
John Vickers (Chairman)
Penny Boys (Executive Director)
Allan Asher
Lord Blackwell
Christine Farnish
Richard Whish
Rosalind Wright

OFT Staff
Justin Coombs
Ian Edwards
Jessica Farry
Darryl Fernandez
David Fisher
Tim Geer
Paul Gurowich
Fred Houwen
Christiane Kent
John Lambert
Jonathan May
Ali Nikpay
David Osman
Rita Monti
Chris Portman
Mike Ricketts
Vincent Smith
Christine Wade
Ray Watson
Ray Woolley

Board Secretariat
Paul Clark
Erik Wilson

Item 1: Minutes from Board meeting (17 May) (OFT(04)5th minutes)

The minutes of the 17 May meeting were accepted as a true record.
Matters arising

CE S25 Case List

The Board confirmed that the s25 case list and summaries sent to them were very helpful and emphasised that, in asking for the information, it was seeking to be better informed so as to be able to carry out its own functions effectively and assist CE. The Board’s primary concern is to be satisfied that there are appropriate systems and processes in place to support effective casework delivery.

The Board asked to see a paper at the July meeting which, rather than focussing on information flows as suggested in the cover minute, would outline what CE currently has in terms of casework systems; give a clear indication of how CE sees the need to develop them, with particular emphasis on ensuring that issues are properly identified at an early stage of the process; and on how priorities are set. The paper should identify the key issues/challenges in taking casework forward; and identify areas where input from the Board would be helpful.

The Board will be discussing priorities for the OFT as a whole at its July Board meeting, so this part of the paper will assist that discussion.

Item 2: Progress Report by the Executive Director

In addition to the Progress Report paper, the Board was updated on the following issues:

Ticket Agencies

The OFT announced on 17 June that it was launching a short fact finding study into ticket agencies. We expect to publish the study later this year.

Consumer Education

The Consumer Education Strategy Paper should issue for consultation in July.

Consumers’ Association

The Board agreed that following the CA’s new Chief Executive (Peter Vicary Smith) taking up his post, it would be desirable to arrange a dinner between the Board and CA in the autumn.

Independent school investigation

Non-conflicted Board members requested an update on this case at the July meeting.

Item 3: MPI study

The Board was presented with an update on an ongoing MPI study.
Item 4: MPI Investigation

The Board was updated on progress in an ongoing investigation by the MPI team.

Item 5: IT Strategic Issues

The Board considered the review of IT strategy. The following points were agreed:

- A decision on resource allocations would be made in July, once the Board has had an opportunity to consider other possible bids for additional resources.
- The proposals were warmly received. Further work was required to identify the business benefits of the various proposals.
- Moving to a more strategic partnership model seemed sensible.
- The proposal to review the IT team was endorsed but it was felt that a decision on Content Management should be made on the basis of evaluating costs and benefits.
- Work is in progress to identify and evaluate the changes that will be necessary to give effect to the introduction of the Freedom of Information Act in June 2005. The Board will be provided with further advice on the implementation of the new legislation.

It was agreed that a July paper to the Board on resources would contain IT costs. Business cases for consideration by the Board are also to be developed.

Item 6: Draft 03/04 Resource Accounts

The Board approved the revised resource accounts.

Item 7: Developing Consumer Policy and Priorities

The Board considered a presentation which provided an overview of the current work objectives of CRE and proposals for policy and strategy development. The Board confirmed that this was a helpful overview and would be the basis for further discussion by OMG in preparation for a Board paper on priorities in July. A paper on the emerging conclusions from the Consumer Detriment study will also be put to the Board at that meeting.

In the meantime CRE would prepare a monthly report along the lines of that produced for Trading Standards and appended to the paper supporting this Item. Board members will also be invited to attend specially convened quarterly meetings to update them on cases and projects, commencing in the autumn.
Item 8: CE7 Case Update

The Board received a presentation on CE7 cases, and an overview of the staff and resource structure of the branch.

Item 9: CE5 Case Update

(Lord Blackwell left the meeting at this Item)

The Board received an update on an ongoing CE5 case.

Item 10: Any other business

No other business was raised.

Items 11 – 15: Items below the line

The Board did not wish to discuss any of the Items that appeared below the line on the agenda. The Board agreed the final version of the performance management framework subject to 2 minor drafting amendments.

The Board will next meet formally on 19 July at 1000.

Paul Clark
Board Secretariat
22 June 2004
Minutes of the Office of Fair Trading Board Meeting

Monday 19 July 2004

Present:

OFT Board
John Vickers (Chairman)
Penny Boys (Executive Director)
Allan Asher
Lord Blackwell
Christine Farnish
Richard Whish
Rosalind Wright

OFT Audit Committee
Nigel Matthews

OFT Staff
Justin Coombs
Dagmar Droogsma
Darryl Fernandez
David Fisher
Amelia Fletcher
Ray Hall
Jonathan May
Brian McHenry
Nic Newling
Ali Nikpay
Chris Portman
Mike Ricketts
Vincent Smith
Martyn Thomas
Christine Wade
Ray Watson
Alan Williams
Nijole Zemaitaitis

Board Secretariat
Erik Wilson
Francesca Seymour (Secretary)

Consultant
David Matthews (NERA)
Item 1: Minutes from the last Board meeting (21 June) (OFT(04)6th minutes)

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

Item 2: Progress Report (OFT(04)56)

In addition to the information provided in the Progress Report paper, the Board was updated on the following issues:

**Consumer Education Strategy**

The consumer education strategy is being published on 20 July.

**RIPA Commissioners**

OFT passed the inspection by the Commissioners last week. The CE team was praised for its efforts in this area thus far.

**Trade and Industry Select Committee**

OFT’s evidence session before the TISC enquiry on pubs has been put back to 8 September.

**Auditors’ Liability**

The preparation of advice for the Chairman to sign is in hand.

**Attheraces**

BHB has joined the appeal against OFT in the Attheraces case.

**Staff issues**

Simon Brindley will move to be a new legal branch director covering consumer matters. A competition to find his replacement will be held shortly.

**Independent Schools**

The Board welcomed the use of FAQ lists, as had been produced for independent schools, noting that it was important to avoid jargon.

**Comms update**

The Annual Report was published last week. The doorstep selling campaign had been well received by both the media and stakeholders.
Item 3: Performance and financial report for the first quarter (OFT(04)57)

The Board was invited to note the projected financial results for the three months ended 30 June 2004. This was the first report produced in the same format as the Annual Plan and Annual Report. The planned spend for the first quarter was £12m; actual spend was £11.2m. At the end of the first quarter the underspend is running roughly at the same rate as last year.

The Board asked if the underspend could be used to meet objectives that might be identified under the priority setting Item. A paper had been tabled on calls on the reserve for the Board to approve “below the line”, with an additional paper on capital expenditure planned for October/November. It was agreed that at this point we would have a clearer view as to what our investment priorities should be for the rest of the year and into SR04.

Item 4: CCLB IT issues (OFT(04)58)

A business case on the replacement IT for CCLB will be coming to the Board in October. The funding request put to the Board had not been through OMG, but the Board was satisfied that Divisional Directors were happy with the recommendations. The Board was provided with an update on progress made thus far, including a review by an OGC team which had thought the project was worthwhile, and had made useful recommendations.

The main points made by OGC were to make sure that OFT engaged with stakeholders, for example to ascertain if they would use an on-line service, and where out-sourcing of the digitalisation of paper applications was planned that there was sufficient stability to secure a contract, i.e. sufficient work for a contractor to take on. The team is talking to other bodies (e.g. the FSA) to learn lessons from their experiences.

The Board said that it was important that the new electronic system was compatible with the rest of the office. The business case will state that we expect to see the costs of the project recouped, with longer term savings over 10 years.

It was confirmed that the EU Directives on regulation and licensing schemes are not likely to change in the short to medium term. The team is also liaising closely with colleagues working on CCA reform.

The Board approved additional funding of £115k to take the work forward.

Item 5: Consumer Codes Approval Scheme – Procedures for withdrawal of approval (OFT(04)61)

The Board discussed proposed procedures for withdrawing code approval.

Item 6: Audit Committee report to the Board (OFT(04)60)

Nigel Matthews, Chair of the Audit Committee, joined the Board for this Item. This was the Committee’s second report to the Board, setting out what had been achieved, and what was hoped to be achieved in the coming year.
The Board thanked the Audit Committee for its work, particularly in strengthening the risk management process. It noted that it was important that the Board and the Committee did not duplicate work. It was agreed that the draft Annual Plan should be circulated to the Committee to maintain involvement. As well as this, it was suggested that independent members visit OFT, particularly areas that were significant to the risk register, where the Committee could make a key contribution.

Nigel was keen for the Board to offer the Committee a steer on its future programme. It was agreed that there should be an entry on the Intranet on the Audit Committee so that OFT staff could be more aware of it and understand its role.

Discussions continued over lunch, where it was agreed that the internal audit plan should be re-drafted to reflect the Board’s focus on internal processes.

Item 7: Update on CE cases

The Board was updated on two ongoing CE cases.

Item 8: Priority setting

The purpose of this Item was to identify what OFT should be doing more (and less) of. The Board received short presentations on the following:

Possibility of an OFT strategic plan

This paper proposed that OFT develop a strategic plan setting out objectives to achieve over the next five years, identifying emerging market problems and proposing solutions or means of determining them and finally calling for alignment of the organisational structure with the strategic goals.

As there was not sufficient time to discuss the need for a strategic plan in depth, it was agreed to re-consider the paper at a later date.

OMG views on priorities for 2004/06

OMG agreed that a strategic framework would enable OFT set out its longer term priorities more clearly and to effectively balance the allocation of resources effectively. This centred on OFT becoming a more proactive organisation and identifying where we have the most impact. The Board noted that there were some areas that could impact on OFT during SR04, such as a Government review of the competition regime.

Results of top down sectoral research and mapping analysis

The Board was presented with the highlights from a report commissioned to look at the empirical indicators for market studies by David Matthews from NERA. This was an ambitious study, but from those indicators identified NERA had identified three that could be used to select areas to study:
The Board agreed that the current “bottom up” approach needed to be bolstered by a more systematic approach and this work may be useful. Although no international comparisons are made in the study, more information on international markets is being bought in during January.

The mapping analysis focused more on the work of CE and CRE, and as far as possible had been fed into the OMG paper.

In summary, the Board found both sets of work useful and highlighted the importance of cross-office working.

**Progress on consumer detriment mapping**

This work had been undertaken by working closely with MPI. In addition, both the CBI and BRC have asked if they can contribute to this work. The team will be speaking to CE to ascertain how the work completed thus far can contribute to the work of the Division.

The Board discussed how to identify areas for priority e.g. by size of market; number of complaints; vulnerability of consumer. The team advised that areas in the black economy e.g. scams, would not feature on any list but was an important area to continue to focus upon.

The final study is due to be completed in January.

**Summary**

The Board asked for the pattern of casework to be viewed in the context of the results so far from the top-down study. There should be explanations of (a) apparently important sectors where we were not working, and (b) apparently less important sectors where we had resource-intensive cases.

Overall the Board felt good progress on priority setting had been made. More broadly, there is a continued need to enhance understanding that competition is linked to productivity.

**Item 9: Any other business**

There was no other business to discuss.

**Items 10 – 13: Items below the line**

The papers below the line were handled as follows:

Progress on Part 8 of the Enterprise Act - Noted
Calls on the reserve and proposed capital spend - Approved
*(the Board approved the sum of £1.02m capital and £0.447m from the general reserve)*

LEK (project management) Progress Report - Noted

Freedom of Information Act - Noted

**Next meeting**

The Board will next meet for an extraordinary meeting to discuss home collected credit on 1 September. The next formal meeting will be held on 20 September followed by dinner with members of CRE.

It was confirmed that a full Board meeting would be held on Monday 13 December.

**Francesca Seymour**  
**Secretary to the OFT Board**  
**20 July 2004**
Minutes of the Office of Fair Trading Board Meeting

Monday 20 September 2004

Present:

OFT Board
John Vickers (Chairman)
Penny Boys (Executive Director)
Allan Asher
Lord Blackwell
Christine Farnish
Richard Whish
Rosalind Wright

OFT Staff
Ed Anderson
Frances Barr
Marie Clark
David Fisher
Becket McGrath
Brian McHenry
Nic Newling
Mike Ricketts
Vincent Smith
Christine Wade
Alan Williams
Simon Williams
Graham Winton

Board Secretariat
Erik Wilson
Francesca Seymour (Secretary)

External
Barry Elliott – Detective Staff Sergeant, Ontario Provincial Police

Item 1: Minutes from the last Board meeting (19 July) (OFT(04)7th minutes) and Minutes from the Extraordinary meeting (1 September)

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

Item 2: Progress Report (OFT(04)71)
In addition to the information provided in the Progress Report paper, the Board was updated on, and discussed, the following issues:

**Possible industrial action**

The Board was advised that one of the Civil Service unions (the PCS) is balloting members with a view to taking industrial action against the Government’s plans for efficiency savings. This could result in an official strike on 5 November.

**Consumer Codes**

Stage 2 approval had been achieved by the Society of Motor Manufacturers and Traders. A press notice will be issued in the coming week, followed by a publicity campaign launch on 7 December. Key benefits of the Codes scheme are the independent redress mechanism, and the recording of consumer complaints. All new car packs will include a copy of the Codes leaflet which will raise public awareness of the scheme itself.

It was confirmed that there are 24 applications working towards Stage 2 compliance.

**Trade and Industry Select Committee: Inquiry into pub companies**

It was confirmed that there was no further action for OFT at this stage; a B2B code would be outside our remit. ODPM is undertaking a review of tenancy agreements and we await the outcome.

**Supermarket Code**

OFT’s report is due at the end of the year. Progress has been delayed owing to one party’s inability to produce the information required to PKF on time. The Board agreed that if delays such as this were used as a tactical measure, parties should be named.

**Item 3: Internal Audit Plan (OFT(04)72)**

The Board agreed that it was extremely important that its processes were robust, particularly in light of the forthcoming transition period. It was noted that the arrangements for handling conflicts of interest in respect of staff were being reviewed by Legal. Legal would also be seeking extra resources in the form of a part-time legal adviser to cover work as a result of the Freedom of Information and Data Protection Acts.

The terms of reference for the corporate governance audit are being finalised. Subject to the points raised in discussion, the Board was content with the proposed audit plan, which would now go back to the Audit Committee.

**Item 4: Discussion on processes**

The Board discussed processes in case-handling.
Item 5: **Private meeting – succession planning**

The Board met in closed session to discuss the succession to the Chairman and Executive Director.

Item 6: **Scams**

The Board was joined by Barry Elliott from the Ontario Provincial Police who has worked with CRE on the Canadian Lottery scam, and is in the UK to raise awareness of telemarketing scams. The Board discussed Barry’s work with the CRE team and Directors over an informal lunch.

Item 7: **Presentation on the work of CE4**

The Board received a presentation from CE4 on the work of the branch, its structure, forward looking priorities and strategic issues. The Board found this presentation useful. It re-iterated the fact that success was not only to be measured by the number of CA98 infringement decisions, but by positive outcomes for consumers. Such successes might also be achieved by OFT staff working through other bodies, particularly the European Commission.

Item 8: **Any other business**

There was no other business to discuss. The Board will next meet formally on 18 October, followed by dinner with the non-executive members and Directors of CRE.

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Francesca Seymour
Secretary to the OFT Board
21 September 2004
Minutes of the Extraordinary Office of Fair Trading Board Meeting

Tuesday 1 September 2004

Present:

OFT Board
John Vickers (Chairman)
Allan Asher
Lord Blackwell (less item 2)
Christine Farnish (less item 2)
Rosalind Wright

OFT Staff
Sadrul Islam (less item 2)
Jonathan May
Brian McHenry (less item 2)
Rita Monti (less item 2)
David Osmon (less item 2)
Hannah Priest (less item 2)
Mike Ricketts
Graham Winton

Board Secretariat
Erik Wilson (Head of the Board Secretariat)

Apologies
Richard Whish

Item 1:  **Home Credit: NCC super-complaint — OFT response**

The Board was asked to consider whether it was minded to make a market investigation reference to the Competition Commission. The OFT must publish a formal ‘reasoned response’ to the NCC super-complaint by 10 September.

Conclusion

After a full discussion of the pros and cons set out in the Board paper, the Board decided that the OFT should consult the home credit industry on a market investigation reference to the Competition Commission.

Consultation exercise

The Board agreed the consultation exercise would be for 5 weeks. Following the analysis of the responses a further paper would be prepared for final determination at the November or December Board meeting.
Item 2: Any other business

**Auditors’ Liability**

The Board considered and agreed the draft letter to the Secretary of State for Trade and Industry.

**Board Secretariat**
**2 September 2004**
Minutes of the Office of Fair Trading Board Meeting

Monday 18 October 2004

Present:
John Vickers (Chairman)
Penny Boys (Executive Director)
Allan Asher
Lord Blackwell
Christine Farnish
Richard Whish
Rosalind Wright

OFT Staff

Frances Barr
Lindsay Chalmers
Darryl Fernandez
David Fisher
Tim Geer
Daniel Gordon
Fred Houwen
John Lambert
Jonathan May
Brian McHenry
Lillian Nnonyelu
Helen Oates
Mike Ricketts
Vincent Smith
Christine Wade
Rob Williamson
Graham Winton

Board Secretariat

Erik Wilson
Francesca Seymour (Secretary)
Paul Clark

Item 1: Minutes from the last Board meeting (20 September) (OFT(04)9th minutes)

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

Item 2: Director’s Divisional Reports

In addition to the individual Director’s reports, the Board was advised that the NAO is due to undertake a value for money audit on competition and anti-trust
work, and associated Communications work, in the first quarter of 2005 with a view to publication in the Autumn.

The Chairman noted that this was the first presentation of this Item in its revised style. The Board would like to see more consistency of format in the future, with reports focussing on highlights. The Board was asked to pass any individual comments on the style of the reports to the Board Secretary.

Key points from individual reports were as follows:

**CRE**

The ICPEN and Spam events had gone well.

The UCP directive should be finalised in 2005, and work is continuing on the Consumer Credit directive. CRE is attending a Dutch presidency joint consumer and competition event.

It was confirmed that there were still delays in getting access to criminal records through Disclosure Scotland, despite pressure from the Chairman.

**MPI**

The supermarket audit continues to be delayed, and it will be difficult to meet the end of the year deadline.

**R&S**

R&S is awaiting Cabinet Office guidance on the staff consultation directive. It is still not clear whether this directive will apply to all Government departments.

**Comms**

The staff conference will take place on 16 November. Dates for the stakeholder events are currently being considered. It has been proposed that the London event be held on the evening of 17 January. Events will also be held in Scotland, Wales and Northern Ireland. The Board will be provided with more information later this week on the Staff Event.

**Item 3:** Quarterly progress and financial report

The Board noted the projected financial results for the 6 months ended 30 September. The discussion led into the next Item.

**Item 4:** SR04 business objectives

The Board considered the business and funding priorities for SR04 set out in paper (04)75. The Board broadly agreed with the proposals and baselines identified. The Board gave a strong steer that Directors should plan to deliver their objectives more efficiently and flexibly. They should review ways of working, making appropriate use of, for example, consultants or people on fixed-
term contracts for specific projects. They should not expect to create more posts, other than those specifically approved.

It was noted that CCLB Modernisation and the creation of a Litigation Unit should lead to cash releasing efficiency savings.

CRE is to present revised proposals on the consumer credit reforms in the light of consultants’ advice, in early 2005.

**Item 5: Succession planning**

The Board discussed this Item in closed session.

**Item 6: Public subsidies**

The Board noted the completion of the first phase of this market study, and agreed to the publication of the Frontier report with the OFT’s recommendations in November. It agreed that the team should now move to phase 2, which will include case studies of particular subsidies. DTI is assisting the team in identifying suitable cases. It was agreed that if cases were identified in time for the public announcement, they should be mentioned.

The team had found that competition considerations are not reflected in UK or EC rules and guidance. DGECFIN is undertaking a study on state aids and is interested in the outputs from OFT’s work. The team is in touch with EC colleagues working on this study.

**Item 7: MPI study**

The Board discussed an ongoing market study.

**Item 8: Selection of subjects for market studies and implementation of changes following the LEK report**

*Selection of subjects for market studies*

The Board agreed to keep the numerical target for regulatory studies. The numerical target in Objective 5 should be clarified so that the target applies to both market studies and market investigation references (or undertakings in lieu of a reference). It was agreed that there was a lot of information in OFT(04)78 that can be reflected in the Annual Plan.

Proposals for market studies are to come to the Board at the December meeting.

*MPI market studies change project*

Following the work undertaken with the LEK consultants, project management and study handling skills have improved. Project management needs to become one of the OFT’s core skills. The next step is to improve handling of Whitehall and other stakeholder skills.
Although it is still early days, cross-office working has improved. Evidence of this is the establishment of the internal Financial Services Group, and the work CE Division is undertaking to improve its processes. It was acknowledged that there is still much more to be done in this area.

**Item 9: Any other business**

The Board is due to meet Patricia Hewitt, Secretary of State for Trade and Industry on 10 November. The Board asked for briefing on other key issues.

The Board will next meet formally on 15 November.

**Papers below the line:**

**Item 10:** CCLB business case

Agreed

**Item 11:** Proposed changes to CE case handling

Noted

**Item 12:** DTI consumer strategy

Endorsed.

**Item 13:** Call on the reserve for October

Noted

**Item 14:** Government procurement

Noted

Francesca Seymour
Secretary to the OFT Board
19 October 2004
Minutes of the Office of Fair Trading Board Meeting

Monday 15 November 2004

Present:
John Vickers (Chairman)
Penny Boys (Executive Director)
Allan Asher
Lord Blackwell
Christine Farnish
Richard Whish
Rosalind Wright

OFT Staff
Sally Al-Saleem
Frances Barr
Monica Cunningham
Keith Davis
David Fisher
Amelia Fletcher
Daniel Gordon
Phelan Hill
Sadrul Islam
Jonathan May
Brian McHenry
David Osmon
Hannah Priest
Mike Ricketts
Vincent Smith
Rebecca Staheli
Christine Wade
Rob Williamson
Graham Winton

Board Secretariat
Erik Wilson
Francesca Seymour (Secretary)

Item 1: Minutes from the last Board meeting (18 October) (OFT(04)9th minutes)

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

Item 2: Director’s Divisional Reports

The Board was advised that the meeting with Patricia Hewitt has not yet been re-arranged but will need to take place before the end of January.
It was suggested the non-executives read the Which? reply to the DTI consumer strategy prior to the Board dinner on 24 November.

Helen Fleming is taking over Sam Beckett’s role at HM Treasury.

Key points from individual reports were as follows:

**CRE**

- The Court judgment on credit card consumer protection ruled that the consumer protection given by section 75 of the Consumer Credit Act 1974 does apply to four part domestic credit card transactions, but that it does not generally apply to overseas transactions.

- The Advocate General’s view is that Easycar is not exempt from the Distance Selling Regulations. We await the Court judgment.

**MPI**

- The draft report from the supermarket audit is due the week after next, and the Board will be advised as to next steps in due course.

- The final Paysys task force report is due at the end of March, and will be signed off in April.

**R&S**

- The Board was advised that a temporary HR Director was being recruited to cover a six month period.

**Comms**

- The Annual Plan consultation commences on 1 December and ends on 31 January. There will be four regional stakeholder events, which all the Board are invited to attend, as follows:
  
  10 January (Royal Society of Edinburgh, Scotland – the Chairman)
  17 January (London – all the Board)
  18 January (Wales – the Executive Director)
  20 January (Northern Ireland – the Executive Director)

- There are two forthcoming campaigns, credit on 25 November and the first Codes Awareness Stage 2 for the SMMT on 7 December.

**CE**

- The Board discussed certain cases and emphasised the importance of priority setting and delivery. These issues will be taken forward.
Item 3:  Market study
The Board discussed the findings of a market study.

Item 4:  Market study
The Board discussed the findings of a market study.

Item 5:  Case discussion
The Board discussed progress in an ongoing case.

Item 6:  Succession planning: role and responsibilities of COO
The Board discussed this item in closed session.

Item 7:  Any other business
In response to a request from Graham Allen MP, the Chairman met 8 MPs (5 parties were represented) to answer questions on what OFT was doing with regard to loan sharks. Prior to the meeting, MPs had been provided with a useful background note which aided a good and positive discussion.

The Board will next meet formally on 13 December.

Papers below the line:

Item 8:  Paysys update
Noted.

Item 9:  Consumer education – progress report
Noted.

Item 10:  05/06 Annual Plan consultation draft
Approved.

Item 11:  DTI consultation on Voluntary Termination of Hire Purchase and Conditional Sale Agreements under the Consumer Credit Act 1974
Noted.

Francesca Seymour
Secretary to the OFT Board
16 November 2004
Minutes of the Office of Fair Trading Board Meeting

Monday 13 December 2004

Present:
John Vickers
Penny Boys
Allan Asher
Lord Blackwell
Richard Whish
Rosalind Wright

Apologies:
Christine Farnish

OFT Staff:
Frances Barr
Catherine Bicanic
Simon Brindley
Nigel Cates
Cavendish Elithorn
David Fisher
Tim Geer
Daniel Gordon
John Lambert
Jonathan May
Brian McHenry
Ali Nikpay
Hannah Priest
Mike Ricketts
Vincent Smith
Christine Wade
Rob Williamson
Graham Winton

Board Secretariat
Erik Wilson
Francesca Seymour (Board Secretary)

Item 1: Minutes from the last Board meeting (15 November) (OFT(04)10th minutes)

Both the full and public versions of the minutes of the last meeting were accepted as true records, subject to agreed revisions of text.
Item 2: Director’s Divisional Reports

The Board was updated on the following issues:

**S75**

The notice of appeal is being drafted.

**CCA Reform Bill**

This is due to be introduced on 16 December, and will call for a lot of effort on DTI’s part to get through the next legislative programme, where the main focus will be on the Home Office security bills.

**Which? response to SMMT Code launch**

The Board had received copies of the letters from the Executive Director and Chairman to Which? about aspects of its response to the launch of the SMMT code. No reply has been received to date.

Key points from individual Director’s reports were as follows:

**MPI**

**Supermarket audit**

The draft final report from the auditors has just been received. The Board was advised that a letter has been received from Friends of the Earth and others urging the OFT to look at the whole grocery market. A paper on the audit will come to the Executive Director before Christmas and then subsequently to the Board.

**Liability insurance**

This area is being looked at again, as promised when our 2003 report was published.

**Home credit**

This will be referred to the CC early next week.

**Property information**

This study was launched last week.

**R&S**

Ongoing issues were discussed.
Comms

Staff event

This had been very successful, with a record 550 attendance. Feedback from staff had been positive, particularly on the session with the Board. The Board noted with interest suggestions made to increase Board visibility but felt some more work is needed on how this could best be done.

The Board was pleased with the progress in developing a strong diversity policy and noted that this should not result in positive or negative discrimination, or the setting of quotas and participation targets. The aim is to achieve OFT’s business objectives recognising and making use of the talents and diversity across the OFT.

Stakeholder events

The London event will comprise three sessions (credit, housing and construction, and health) each led by a Director and facilitated by a non-executive Board member. Mike Ricketts would be approaching the non-executives individually as potential facilitators.

Annual Plan

Positive pieces on the Annual Plan consultation document had been reported in the Financial Times, Guardian and Daily Mail.

CE

Revised CA98 guidelines

These are due to be published on 21 December.

Clementi

The findings of the Clementi review are due this week.

Hasbro

The judgment is due on 14 December.

CRE

On - line shopping

There had been an article in the Sunday Times (12 December). There is an ongoing investigation resulting from a trading standards complaint into advertised prices and their compliance with the Distance Selling Regulations.
**Review of CRE**

The Board was advised that a review of the structure of CRE was due to commence in January, with a report coming to the Board in March. MPI will form part of the steering group supporting this work.

**CCLB modernisation**

The gateway review of CCLB has received an amber light, so progress continues.

**Purple Rock scam**

CRE had taken action to prevent Purple Rock marketing a scam which misled people into thinking they were purchasing a full-size digital camera for £9.00 plus postage and packing.

**Financial Fraud Information Network (FFIN)**

It was important that the OFT liaised more with this organisation of government departments and regulators. With this in mind, a meeting had been arranged at the FSA with members of CRE for 16 December.

**Item 3: Market study selection**

The study day on 18 November had produced sensible outcomes. It was noted that the work of the top down and procurement studies had made a contribution to the selection of some of the six subjects that had been identified as strong contenders.

There was a general discussion on the six subjects on which further work was proposed. Some teams will be coming free in the next few months and will be able to undertake the scoping work on these subjects.

**Item 4: Market investigation**

The Board discussed an ongoing market investigation.

**Item 5: Implementation of the Legal Review**

The Board was updated on the progress made following the review of the OFT’s legal services in 2003. In addition to the detail provided in OFT(04)99, the Board was advised that a second standing Counsel had been appointed and that Hannah Priest was now heading up MPI’s legal work. The training scheme had been re-visited and would continue on a bi-annual basis. Work was continuing to achieve the branch structure for Legal division as set out in Annexe B to the paper, which should be achieved by Spring 2005.

The Board was advised that there is a need for more people with litigation experience, and to undertake CAT work. A barrister has been engaged to undertake FOIA work, and a competition to recruit three litigation lawyers will be held in the New Year. Priorities for 2005 will be developing the Head of
Profession role, arranging training on judicial reviews and investigating the possibility of arranging for barristers to undertake presentations on administrative law.

The Board asked how management systems had been reformed. It was advised that a “know how” officer had started last week to pull together tasks such as time recording and other monitoring. A good example of changes to working practices is the creation of a case list for CRE which lawyers update for themselves.

Dual reporting is as advanced as it needs to be now. Feedback from case teams and Directors will be taken into account when setting box markings and form part of individual PDAs. A similar arrangement needs to be set up for CE.

The Board welcomed the positive changes that had been made thus far. The Solicitor to the OFT thanked his Practice Manager, Nigel Cates for his hard work and support in the last year and Vincent Smith and Ali Nikpay for their contribution to the changes in working arrangements for CE/CE Legal.

Item 6: Presentation on the work of CE

The Board received a presentation on the work of CE, and in particular CE1, and discussed future priorities.

Item 7: Succession planning

The Board discussed this Item in closed session.

Item 8: Any other business

There was no other business discussed. The Board will next meet formally on 17 January.

Papers below the line:

Item 9: PMSA and the new pay system

Noted.

Item 10: Care Homes update

Noted.

Francesca Seymour
Secretary to the OFT Board
14 December 2004