

OFT (11) 8th minutes

Minutes of the Office of Fair Trading Board Meeting

Thursday 16 June 2011

Present:

Philip Collins (Chairman)

John Fingleton (CEO)

Vivienne Dews

Alan Giles

Frédéric Jenny

Robert Laslett

Tony Lea

Philip Marsden

Clive Maxwell

Bill Moyes

OFT Staff:

Frances Barr

Barney Wyld

David Leech (Items 1, 2)

David Fisher, Kate Pitt (Item 2)

Gordon Ashworth, Sonya Branch, Colin Brown, Cavendish Elithorn (Item 3)

Mary Stark, Cristina Luna-Esteban; Louis Christofides, Ann Pope, Maria Rican (Item 4)

Ray Watson (Item 5)

Cavendish Elithorn, Laura Phaff (Item 6)

Executive Office:

Kate Bridge

Rachel Christopher

Apologies:

Erik Wilson

Introduction to meeting

The Board discussed the agenda. The Chairman welcomed Kate Bridge, the new Deputy Director of Executive Office, to the meeting.

1 Case updates

New cases/projects

Proposals for evaluation to be undertaken in 2011–12

The Board discussed the potential cases for the independently-audited, in depth ex-post study mandated by HMT under the organisation's SR10 settlement.

Existing projects

2010–11 Annual Report sign-off

The Board received and approved the report subject to some minor drafting changes. It noted that the Resource Accounts would be sent out to the Board for approval after the Audit Committee had considered them the following day.

Ashbourne Management Services

The Board noted this judgment and the possibility of an appeal.

Audit

The Board was updated on the recent announcement.

Domestic electrical goods (DEGs): review of CC remedies and market study of extended warranties

The Board was advised that the OFT plans to advise the CC that the DEGs Order and undertakings 1998 should be removed, along with assurances given by some parties to OFT. Liaison has been ongoing with the CC on this issue.

Ebooks

The Board received an update.

Home repairs

It was reported that the OFT's research was published recently.

Mergers update

The Board was updated on a number of recent merger cases including BSkyB/Newscorp, and Kingfisher/Focus

Litigation update

The Board was updated on recent litigation.

Organisational culture within M&P

The Board was updated on a recent study conducted by staff in M&P which focused on the need to form team identities and the issues around grades and specialisms. This will be fed into ongoing work in M&P.

2 Operations

Updates

Finance

The Board was updated on the current financial position.

Performance framework

The Board reviewed the revision of the framework that was discussed last month and noted that the framework will continue to be developed.

Estates

The Board were updated on plans to restack Fleetbank House. Floor space released will be proactively marketed in both public and private sectors.

SCS pay strategy

The Board received a paper and approved the SCS performance management and pay policy in line with Cabinet Office guidelines.

Monthly executive report to the Board June 2011

The Board received and noted this report.

Audit Committee minutes

The Board received and noted the draft Audit Committee minutes from the most recent meeting. The Chairman of the Audit Committee updated the Board on recent developments.

Update on Consumer Direct

The team updated to the Board on recent developments

3 External environment

Landscape: general update

Competition

The Board was updated on the BIS consultation on the competition regime. It was noted that more than 100 responses to the consultation had been received. The timetable was confirmed.

Consumer

The Board discussed the OFT's response to the BIS consumer consultation document and considered the timetable for the formal response to the consultation, which is expected to be published early next week. The final response will be approved at the September Board.

Health and other public markets

The team updated the Board on the OFT's work in this area. Work in this sector will be discussed further at the July Board.

4 Current cases

Aggregates¹

The team reported on its recent work on this case.

Mobility aids market study

The team updated the Board on this study noting that it has recently published its key findings for comment. The Board recommended that the team reviews its work for lessons learned that could be valuable in other markets and the team replied that there are a number of markets in which read-across could be useful.

5 Group update

Pipeline and performance group

The team explained that the group had been set up as part of the restructuring of M&P in April. It aims to support the development and maintenance of a strong pipeline of work including maximising of the use of intelligence. The Board strongly supported the team's work.

¹ Tony Lea noted his previous involvement with Tarmac from which he has been absent for five years.

6 Super-complaint

Payment surcharges: Which? super-complaint²

The team presented its recent findings and proposed a number of recommendations. The Board discussed and agreed the team's recommendations.

7 Minutes of the Board meetings (5, 16 and 24 May) and AoB

Minutes

The Board approved the 5th, 6th and 7th minutes with one change to the private and public minutes of the May Board meeting.

AOB

The Board was updated on the plans for Strategy and Communications.

8 Review of the Board meeting; future agenda items; carry forward

The Board was asked to send any comments on carry forward items of the future agenda to Erik Wilson.

Rachel Christopher

Executive Office

14 July 2011

² John Fingleton withdrew from this discussion.