

OFT (11) 2nd minutes

Minutes of the Office of Fair Trading Board Meeting

Thursday 3 February 2011

Present:

Philip Collins (Chairman)
John Fingleton (CEO)
Alan Cook
Vivienne Dews
Alan Giles
James Hart
Frédéric Jenny
Robert Laslett
Tony Lea
Philip Marsden
Clive Maxwell
Bill Moyes

OFT Staff:

Frances Barr
David Leech
Barney Wyld
Carmel Flatley, Julie Peterson (Item 1)
Ginevra Di Berardino, Cavendish Elithorn, Jackie Holland, Steven Preece (Item 3)
Ray Watson (Item 4)
Heather Clayton, Laura Phaff, Mary Starks (Item 6)

Executive Office:

Erik Wilson
Rachel Christopher

1 Organisational development

OFT development

The Board discussed this item.

Talent Management

The team updated the Board on its recent work and its achievements. It noted that staff development is now an even more important investment for the future due to the recruitment and salary freezes currently in place. The team reported on the recent Grade six development centre, and highlighted that this initiative has now been extended to Grade seven staff, with amendments to the programme as a result of lessons learned with the Grade six centre. The team emphasised that the recent OFT staff survey had challenged the general Civil Service downward trend, showing improvements in the results relating to talent management and learning and development.

The Board discussed the plans to develop an internal professional "delivery" community. It will build on the existing legal and economic communities and it is hoped that it will provide career guidance and further develop professional standards. In conclusion, the Board suggested that the team considers qualitative measures to assess job satisfaction alongside the quantitative measures in the staff survey.

The Board thanked the team for the good progress in this area and suggested it considers how to measure the impact of its developments, returning to the Board later in the year with a further update.

2 External environment

Competition and Consumer Landscape – update and narrative

The team updated the Board on recent developments and discussed the OFT's position on the proposals for the single Competition Markets Authority.

3 Policy

The Board considered policy issues.

4 Operations

Funding of consumer credit licensing regime

The Board considered and approved the proposed increase to credit licensing fees to be presented to HM Treasury.

Estates Strategy

The Board noted the development of the strategy. The next consideration is how best to reorganise the building; there are finely balanced arguments between a short term move to release space for a prospective tenant and a longer term plan to restack the entire building to maximise subletting opportunities.

The Board agreed in principle the proposed arrangements with the prospective tenant.

Finance update

The Board was updated on the total spend levels and budget forecasts.

The Board noted that HM Treasury has approved the new anti-money laundering fees.

IT update

The transfer to the Agresso live system went well and ahead of schedule. Development of the system continues and data integrity testing can now be initiated. The timetable for rolling out the new IT infrastructure will resume subject to successful testing.

SR10 update

Draft business plans are being analysed and challenged in preparation for presentation to the upcoming NED review meetings. It was noted that there are considered to be relatively few areas to raise income.

It is planned to report back on the NED challenge process at the March Board.

Redundancy programme update

The applications received for the recent voluntary redundancy programme have been reviewed by two panels (non-SCS and SCS) that considered value for money, avoidance of loss of skills and cost reduction. Successful applicants have until 25 February to accept the offer. Until final numbers have been confirmed, it is difficult to assess whether compulsory redundancies may be needed.

ExCo written monthly and quarterly reports to the Board

The quarterly report has been further developed and now contains a “dashboard summary”, which gives an indication of where it may be useful for the Board and the Executive to drill down into

issues and projects. The Board approved the new format and noted the improvements. It will review the use of both reports later in the year.

5 New projects and portfolio development

Off-grid energy

The market study into the supply of energy to consumers who are not connected to the main gas grid has recently been announced.

Outdoor advertising

The OFT has opened an investigation into contracts entered into by each of two media owners, Clear Channel and JCDecaux, with some local authorities, which relate to advertising on street furniture such as bus shelters and information panels. In particular, the OFT will consider the long durations and potentially restrictive terms of these contracts.

Ebooks

The OFT has opened an investigation into contracts entered into arrangements between certain publishers and some retailers. The Board noted that the organisation is currently investigating a number of similar issues in different markets and welcomed that these projects are being reviewed holistically to ensure work is not duplicated.

6 Update on existing projects

Consumer contracts market study

The Board approved the outcome of the study.

Consumer Codes Approval Scheme

The Board was updated on developments.

Mergers update

The Board was updated on a number of merger cases:

- Tail-lifts: will be referred to the CC.
- BskyB/NewsCorp: the Secretary of State for Culture has asked the OFT to consider undertakings in lieu; Ofcom will work on other aspects of this case.

Cartels update

- CA98 investigation into information exchange between two leading banks: a decision was issued on this case in late January, ahead of schedule.
- Parallel civil investigations into alleged cartel activity in commercial vehicles: further developments were noted.

Litigation update

- Purely Creative: the OFT has been successful in its first substantive case under the new Consumer Protection Regulations. Five traders and four individuals who distribute misleading price promotion are subject to an enforcement order to stop future infringements.
- CAMRA: CAMRA has withdrawn its appeal application with no order to be made as to costs. The case is now closed subject to a final formal order of the CAT.
- Cardiff Bus: 2Travel and three former shareholders have filed claims for damages against Cardiff City following the OFT's Cardiff bus abuse of dominance case.

7 Minutes of the Board meetings (13 January 2011) and AoB

Minutes

The Board approved the private and public minutes of the last meeting.

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.

Board Secretary
9 February 2011