

OFT (11) 3rd minutes

Minutes of the Office of Fair Trading Board Meeting

Thursday 3 March 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
Amelia Fletcher
David Leech (items 2-9)
Barney Wyld
Sonya Branch, Cavendish Elithorn, Graham Winton, Geoff Steadman, Colin Brown,
Gordon Ashworth (Item 1)
Jennifer Halliday, Tracy Moore; Nicky Brown, Noah Curthoys (Item 2)
Sonya Branch, Alastair Mordaunt, Nelson Jung, Eve Cinnirella (Item 4)

Executive Office:

Erik Wilson
Georgina Laverack

1 External environment

Landscape: CMA and consumer consultation documents

The Board was updated on recent developments relating to the proposed changes to the consumer landscape since the issue was last considered by the Board in November 2010 and discussed the OFT's position on the proposals. The OFT has met with the Minister. The team updated the Board on the reaction of stakeholders. The Board supported the continuation of the OFT's current approach in relation to the consumer landscape proposals.

Landscape: CMA overview of key issues and proposed OFT positions

The team updated the Board on the Government's preparation of the *Growth, Competition and the Competition Regime* consultation document and reported on the discussions with BIS on the content of the draft document. The consultation document is expected to be published in March; responses will be due in June.

Government's Growth Review

The team updated the Board on the OFT's involvement in the Government's Growth Review and outlined OFT's proposed next steps following the publication of the Growth Review Paper to be published with the Budget in March.

2 Organisational development

OFT development

The Board was updated on the organisational changes announced to all staff on 3 March 2011.

The Board was satisfied with the approach outlined. The Board asked about the concerns of staff following the structural change announcements and asked the team to report back on the comments/concerns of staff following the announcement at the next Board.

Proposed restructuring/clarification of corporate-level projects

The Board was updated on the progress that has been made on the corporate projects that the Board agreed should be taken forward by ExCo in July 2010 and which had now been structured into three streams: 'A more open OFT', 'Investing in the future' and 'Getting better value'.

Since the summer the organisation has focussed more on SR10 implementation, OFT Development and Landscape issues. ExCo proposed that these three new corporate level issues remain the principal focus for ExCo-led corporate-level work streams going forward. In addition, ExCo has identified five key issues to be covered in matters presented to it. The Board was asked whether it agreed with the proposed approach and whether it had any comments on either the proposed continued areas of focus or the five key issues.

The Board agreed with the overall approach. ExCo clarified that all five issues included aspects of clear accountability, which the Board considered important. The Board also suggested that the ExCo work strands should link with HR development projects and include a clear statement about valuing staff.

One of the five key issues identified by ExCo is that 'learning has and will be shared'. The Board asked how this is done. There are a number of ways that learning is shared within the OFT including through lessons learned know-how seminars presented by teams, workshops and other know-how meetings organised by the Know-how team. Learning is also shared through Effective Project Delivery (EPD) processes, although it was recognised that teams could do more to share lessons learned at the end of a project and that sharing lessons learned needs to be embedded in the EPD process.

The Board supported the approach set out in the paper and agreed with the five issues identified by ExCo.

Project Condor Board Review: appraisal of procedure

The Chairman initiated a project on behalf of the Board to review 'lessons learned' from the Project Condor Board Review. The team spoke to a number of staff with a set of questions to reflect on the Board Review process that was followed and whether the Board Review worked. The views that were collected demonstrated a broad consensus on what went well and what could have been done differently and these views were reported to the Board.

The Board discussed the points raised from the appraisal. The Board Review had been required by the exceptional circumstances and had provided valuable learning and added greater stimulus to changes in processes and behaviour.

The Board agreed that it had been useful to carry out this appraisal to capture the 'lessons learned' from the Board Review.

Annual Plan 2011–12

The Board was asked to consider the stakeholder feedback on the draft Annual Plan 2011-12 and to give a steer on which comments should be incorporated and whether any changes should be made to OFT's priorities for 2011-12. The team will circulate a further draft of the Annual Plan in the week commencing 14 March for publication by the end of March.

The team reported that an increased number of responses on the draft Annual Plan were received and that engagement with stakeholders had been positive.

The team outlined the main changes that it proposed to make in response to the consultation and confirmed that it would be responding to everyone who made comments and publishing the comments and the OFT's response on the OFT website.

2011 Staff Engagement: Survey action planning report

The Board was updated on OFT staff engagement as demonstrated by the response to the 2011 Staff Survey. There has been an increase in OFT staff engagement despite a fall in staff engagement across the Civil Service and OFT showed an improvement across all survey themes when compared with last year.

3 Operations

Finance update

The Board were updated on the latest forecast based on Q3 figures. ExCo will be meeting on 9 March to firm up 2011/12 allocations in light of other work done on illustrative allocations.

The Cabinet Office announced new restrictions on spend, some of which are a continuation of existing restrictions, but there is some strengthening of central controls. The most significant restriction is the continuation of the external recruitment freeze. The centralisation of categories of procurement spend is proceeding as previously announced.

Credit licensing fees

BIS Ministers agreed the credit fees increase in full.

Early exit scheme update

Thirty three applications for Voluntary Exits (VE) have been received in tranche 3. Twenty four applications have been approved including four SCS staff who have formally agreed to leave.

Summary of NED engagement in Business Planning process

The NED Challenge meetings with M&P, OCE, GCO, Credit, CD, ERC, AML and middle and back office have taken place.

Fleetbank House sublet & restack

Agreement has been reached to sublet the second floor. If we move to new government space standards (eight desks for ten people) we could also free up the third floor to sublet to maximise income and minimise property costs. ExCo has agreed that we should invest to buy suitable desks. Work by the project managers suggests that we might be able to complete by July. The move will be announced alongside other internal issues. The move programme will also depend on the roll out of new IT equipment.

IT and Business Services improvement plan

Progress has been made improving IT resilience.

Consumer Direct – progress on transfer to CitA

Work to maintain CD until March 2012 has almost been completed. We are working closely with CitA regarding the transfer of the service and have seconded staff to them. The OFT will be invited to comment on the draft delivery model.

Monthly executive report to the Board March 2011

The Board welcomed the revised format of the ExCo reports.

4 Update on existing projects

Update on trial CA98 team in Services and Public Markets Group

The team gave an overview of the work it had done since it was set up a year ago. The team benefitted from starting with a blank canvas and was asked to consider whether the Office is 'missing' cases and ways to speed up cases through innovative practices to address concerns of external stakeholders. The team has formally opened three cases, resolved one case through commitments (subject to consultation), issued one short form opinion, informally resolved one case and is optimistic about current pipeline work.

The team highlighted lessons learned from the trial. It was noted that the creation of the new Pipeline Group would provide more consistent oversight of pipeline cases. The team confirmed that they are sharing the lessons they had learned through know-how seminars.

The Board noted that starting a new team had proved to be a good way to encourage innovation. A general comment was made that heading up a new team to innovate involved some risk and the Board should consider how to reward risk-taking and innovation. The Board was very positive about the work of the team and what it had achieved and thanked the team for the update and the work that had been done.

Commissioning and competition in the public sector¹

The Board was updated on the OFT study on commissioning and procurement in public services markets which is due to be published in March.

Updates on other casework

The Board was updated on a number of ongoing cases.

CA98 Procedures Guidance and Procedural Adjudicator

An event was held on 2 March with presentations from the Chairman and Jackie Holland to announce the finalisation of the Procedures Guidance and the Procedural Adjudicator (PA) trial to start on 21 March, with Jackie as the PA. The finalised CA98 procedures guidance and briefing notes on the role of the PA were published and a press release followed. The main changes in the guidance include: offering informal pre-complaint discussions with potential complainants; a commitment to decide whether to open a case no more than four months after receiving a complaint; and sending a case initiation letter with details of SRO and the Decision Maker.

Mergers update

Thomas Cook/CGL/Midlands Coop: a fast track reference to the CC was announced on 2 March.

¹ NEDs holding other public sector appointments declared a possible interest in relation to Government procurement.

5 New projects and portfolio development

Possible super-complaints

- CitA made a supercomplaint on 3 March calling for a ban on cold calling by credit brokers and the banning of upfront fees.

Know-how team work to help encourage consistency

The main Know-how team initiatives to help encourage consistency in CA98 were outlined in response to a question raised by the Board in the context of the decision-making project. The Board was impressed with the know-how initiatives that are in place and asked how SR10 would impact on the know-how services provided. It was confirmed that the Know-how team would be reduced by 50%.

6 Minutes of the Board meetings (3 February) and AoB

Minutes

The Board approved the private and public minutes of the last meeting subject to one minor correction in the public minutes.

AOB

It was noted that it was James Hart's last Board meeting and the Board thanked James for his valuable contribution to the Board's deliberations and the OFT's work over the past three years.

7 Board awayday agenda

A revised agenda and package of materials was circulated. There are two new topics to discuss: the OFT's appetite for risk in cases and NED engagement. Further papers will be distributed next week.

8 Future Board meetings timetable

Dates for 2012 meetings have been circulated. Changing dates is likely to be problematic but it may be necessary to change dates around Christmas and Easter.

9 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 (erik.wilson@oft.gsi.gov.uk).

Actions

Private Office/Strategy

- Date for a conference call in May to review the OFT's draft response to the CMA consultation paper will be agreed as soon as possible.

M&P

- Executive Directors to report back on the comments and concerns of staff following the announcement of the Organisational development changes at the next Board.

Executive Office

31 March 2011