

Minutes of the Office of Fair Trading Board Meeting

Thursday 11 April 2007

Present

Philip Collins (Chairman)

John Fingleton (CEO)

Jonathan May

Allan Asher

Lord Blackwell

Bronwyn Curtis

Alan Giles

Frederic Jenny

Richard Whish

OFT Staff

Rosie Aujla

Paul Burton

Nigel Cates

Winnie Ching

Mike Coates

Christine Cryne

David Fisher

Daniel Gordon

Siobhan Pointer

Carissa Roberts

Bart Smith

Christine Wade

Omar Yaqub

In attendance

Sean Williams

Executive Office

Erik Wilson

Francesca Seymour (Secretary)

Item 1: Minutes from the last Board meeting (1 March) (OFT(07)3rd minutes)

The Board accepted that minutes of the March meeting were a true record.

Item 2: ExCo Report

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

Executive Director, Policy & Strategy

Business planning

This is the first time that business plans are being prepared across the office as a whole. At the end of the process, we will have a series of plans linking the work of the office together. The plans and the planning process will be discussed at the Board Away Day.

Farepak

The OFT has been allocated £1m from HM Treasury to draw up a consumer education programme on Christmas savings schemes in light of the Farepak collapse. We will also look at competition issues, and fully evaluate the programme.

Climate change

This is at the scoping stage. It is envisaged our work will focus on barriers to entry and how carbon schemes are set up.

Acting Executive Director, Markets & Projects

Airports

The airports reference was made on 30 March. The market study and decision had been successfully completed within 1 year.

Which? Supercomplaint

The OFT has received a supercomplaint on APRs on credit cards.

Chief Operating Officer

Staff survey

This was the first survey since November 2005. Participation and the level of positiveness in many areas had improved, although the assessment of the work/life balance had declined. ExCo will discuss the project plan setting out actions in the coming weeks.

The key results will be announced at the Staff Event on 25 April. The Board agreed that the survey needed to link explicitly to management actions.

Director of Communications

Farepak and Consumer Education

The education programme (following on from Farepak) is an exciting piece of work that will help consumers build long-term skills in making risk-based decisions. The team will be working closely with the FSA and other intermediaries in taking this forward, which should roll out in advance of next Christmas.

The Board asked how the effectiveness of communications is evaluated. In the past this has centred on the annual tracking data in support of the annual plan, but work is underway to look at other research available that may be more helpful. There will be a full evaluation of the new programme.

Website

The new website has been running for 2 months, and positive comments had been received. The Board had also received external comments on the new-look website, which will be forwarded to the team.

Assistant Chief Executive

Rogers Review

The CATS team provided evidence to this report, and we have got the inclusion of a priority entitled 'Fair Trading'.

LBRO

Clive Grace has been appointed as LBRO Chair, with Board members to be appointed in May. Their offices will be based in Birmingham.

Consumer Direct

The Consumer Direct team has relocated from Maidstone to Fleetbank House.

General Counsel

Cityhook

The Cityhook appeal was dismissed by the Competition Appeal Tribunal on 5 April. This upheld the OFT's decision to be able to close cases on administrative priority grounds.

Spacer Bars

Judgment on this case was handed down on 9 March. The OFT was successful on all counts, and was awarded costs.

Albion Water

The appeal application by Albion Water was refused by the Court of Appeal on 5 April.

Item 3: Retail Banking

The CEO updated the Board orally on the OFT's work with the banking sector. The next step is to draw up a scoping study and to get resources in place. The project plan will be completed by the end of April.

Item 4: Future OFT

This work is based on what the OFT will look like at the end of the HM Treasury settlement (2011). This will be discussed in greater detail at the Board Away Day and at a dedicated Board meeting in either July or September.

Item 5: OFT/TSS Joint Programme

The Board was given a short description of progress on the programme and the key issues that we face. The Board agreed that more time needed to be spent on exploring the link between OFT's strategy and our relationship with TSS.

Item 6: Consumer Direct

The Board was provided with an update on progress made since the February Board meeting on the financial and strategic issues pertaining to Consumer Direct.

Item 7: Annual Report

The Board was asked to consider the draft Annual Report which reports on objectives under the old structure. The Board noted the inclusion of the 'highlights' chapter that pulls out the OFT's significant achievements. Subject to this and other drafting points, the Board was content. The Report will be discussed at ExCo next week.

Item 8: Statutory Authorisations

The authorisation process has been amended to reflect the new OFT structure, and is now more flexible and simplified, focussing on what staff are permitted to do, rather than the exceptions. A training programme for staff on the change to responsibilities is being organised.

Item 9: Any other business

ExCo

ExCo is looking at the internal annual plan, which will come to the Board in May. Objective setting for 2008/09 will be discussed at the Away Day.

DTI Peer Review

We are preparing a detailed response to the Peer Review.

Papers below the line

Item 10: Management accounting information

The Board noted the accounting information for March, with the explanation of variance in the figure for Operations, which was owing to the staff moves and IT changes resulting from the Beagle programme.

Francesca Seymour
Board Secretary
12 April 2007