

Minutes of the Office of Fair Trading Board Meeting

Wednesday 13 June 2007

Present

Philip Collins (Chairman)

John Fingleton (CEO)

Jonathan May

Sean Williams

Allan Asher

Lord Blackwell

Bronwyn Curtis

Alan Giles

Frederic Jenny

Richard Whish

OFT Staff

Colin Brown

Sue Cook

Tony Dart

Ian Edwards

Gerald Gregory

Brian McHenry

David Osmon

Bart Smith

Anne-Marie Tarkowski

Christine Wade

Frances Warburton

In attendance

Nigel Matthews

Peter Jones

Executive Office

Erik Wilson

Francesca Seymour (Secretary)

Item 1: Audit Committee Report to the Board

Nigel Matthews presented the annual Audit Committee report to the Board. He confirmed that he was happy with the proposed approach in relation to the audit. He thanked the CEO and Bart Smith for formally briefing the Committee on the changes to the organisation, and said that it was a credit to the OFT that so much had been achieved at a time of great change. The Audit Committee had noted that the Finance team was under-resourced, but was aware that this was being addressed. The Chairman is currently reviewing the role and structure of the Audit Committee, which will come back to the Board in July, when the Annual Accounts will be signed off.

Item 2: Minutes from the last Board meeting (3 May) (OFT(07)5th minutes)

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

Item 3: ExCo Report

The Chairman advised the Board of the following:

BIICL Event

BIICL is organising an event on 10 July that is aimed at contributing to the debate on the appeals process in competition cases.

Global Competition Review

The Board was advised that the OFT remained in the same position as last year, i.e. with 'four stars'. The Competition Commission was awarded the position of 'Elite Authority' (with five stars).

DTI Peer Review

This will be published on the DTI website on 15 June.

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

CEO

Staff issues

The CEO alerted the Board to the recent advertisements for the posts in Mergers.

House of Lords inquiry into Economic Regulators

This had gone well. The CEO being advised that there were five more Parliamentary Committee appearances coming up in June and July.

Executive Director, Policy & Strategy

Farepak

The Board was updated on our recent appearance in front of the Treasury Committee on issues arising from the Farepak case and our subsequent education campaign on Christmas savings schemes.

Executive Director, Markets & Projects

Prioritisation

This was covered in more detail under the presentation at Item 6. More information on the office-wide prioritisation criteria which are under development will come to the Board in July.

Internet Shopping

The results of this study will be publicly announced next Tuesday.

Chief Operating Officer

Resourcing

The planning of the new structure for the Finance team is underway. A new interim HR Director joins the HR team on Monday.

Promod

The system is running quite slowly, and the team is continuing to have to deal with the resulting backlog.

Assistant Chief Executive

Hampton

Christine Wade is on a panel undertaking a peer review of the HSE. She will be attending meetings in the next few weeks which will define the scope of the exercise. This would be valuable experience when it came to a review of OFT later in the year.

General Counsel

Nothing new to report.

Director, Communications

It was noted that we have managed to get representation on the Treasury committee, under Sir Brian Pomeroy, looking at financial capability. A consultation document has been produced.

Item 4: House Building

The Board was asked to consider undertaking a market study into house building. The key indicators that this market is not working well are: low quality, low supply response to high prices and low innovation. The scope of the study will look at consumer issues across all of the UK, but look at competition and planning issues primarily in England. The team confirmed that it was working closely with Whitehall to avoid duplication with other reports and initiatives and to dove-tail our combined efforts.

Following discussion, it was agreed to proceed with the study as proposed.

Item 5: Unfair Commercial Practices Directive (UCPD)

The Board was provided with a brief update on the UCPD, specifically the Consumer Protection from Unfair Trading Regulations (CPRs).

The Board noted that the DTI had published a consultation on 29 May, and the OFT had provided draft guidance in support of this. The key point to note was that CPRs introduce new criminal powers, and the team is working with colleagues across the office to make sure our approach to the use of such powers is appropriate.

The team is now developing a training programme for Trading Standards, and will be discussing how best to deliver with OFT colleagues who successfully delivered training on Part 8 of EA02. The Board added that it might be worth discussing training also with the FSA in the light of their experience with IFA's.

We will be issuing final guidance both internally and externally, and to our enforcement partners.

Item 6: Excellence in Delivery

Sean Williams provided a presentation to the Board on how he sees the process of delivery across M&P developing. This presentation focussed on the business process, rather than people.

He explained that there are three strands to this approach: intelligence, pipeline and work programme management. These elements look at how information is turned into project and programme ideas, then into projects. The prioritisation criteria for projects will return to the Board in July, but we are aiming for a well-balanced portfolio of projects which have both high impact and high significance. The Board will also be given an update on the Effective Project Delivery work in due course, and asked that consideration be given to better use of information systems.

Item 7: ExCo objectives

The Board received the drafts of the ExCo objectives that have been prepared in line with Cabinet Office proposals. These focus more on making the link between objectives and business planning. Objectives will

be time specific, and will include an element of culture development.

The Board noted the progress made to date.

Item 8: Any other business

International Competition Network (ICN)

The Board noted that, following an absence of several years, the OFT has been re-elected to the ICN Steering Committee, with the support of DG Comp, the Americans and Canadians.

Diary dates

- 5 July: CC Council meeting and next Board meeting
- 16 July: Board/ExCo Planning Day

Papers below the line

Item 9: Response to the Which? super-complaint

The Board noted the response.

Item 10: Dairy Products Retail Price Initiative

The Board noted the progress made in this case.

Francesca Seymour
Board Secretary
14 June 2007