

Minutes of the Office of Fair Trading Board Meeting

Thursday 4 October 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

Steven Altham
Frances Barr
Marie Clark
Heather Clayton
Richard Emmott
Emma Hodgson
Ian Hextall
James Grimsdale
Chris Jenkins
Sarah Kaye
Brian McHenry
Renato Nazzini
Ali Nikpay
Harsha Shewaram
Bart Smith
Christine Wade

In attendance

Chiene + Tait
Jeremy Chittleburgh
CapGemini
Roger Florry
Subhinder Dhillon

Executive Office

Erik Wilson
Francesca Seymour (Secretary)

Item 1: Minutes of the last meeting (6 September) OFT(07)8th minutes)

The Board accepted that the minutes of the September meeting as a true record.

Item 2: Private Actions

The team advised the Board that attendance, and views expressed at, the public hearing held on 24 September had been representative of consultees, and no significant new points on the proposals set out in the OFT's April consultation paper had been received.

The Board noted that the consultation had produced diverse views within the business community, for instance with the Federation of Small Businesses supporting the proposals, and CBI being concerned about additional burdens on business and increased litigation and urging greater public spending on public enforcement.

The Board emphasised the importance of ensuring that the proposals were presented as part of a process of incremental change, building on the CA98 introduction of representative actions for consumers, and in a way that demonstrated they are part of a balanced package. This package contained appropriate incentives to enable consumers and businesses to pursue legitimate claims and secure redress and appropriate safeguards to avoid unmeritorious cases and a litigation culture.

The Board approved the proposals based on the April consultation paper to go forward as recommendation to the Government and the team will now be working up the presentation of the proposals for final ExCo and Board approval whilst continuing to engage with the relevant parts of Government.

Item 3: ExCo report to the Board

CEO

Microsoft

The CEO noted the CFI's decision upholding the Commission's decision in the Microsoft case and the lively debate which had taken place at the Fordham conference last week.

Taxi market evaluation

The report on this evaluation study will be published shortly. It showed positive benefits for consumers but negative effects on efficiency due to excess entry to the market at prices, fixed by local authorities, which were above market levels.

Brian Stewart

The CEO noted the sudden death of Brian Stewart, the longest serving member of OFT staff, acknowledged the contribution that he had made to the office since its establishment. This contribution was reflected in the many messages of condolence which had been placed on the intranet for his family.

Executive Director, Policy & Strategy

Reviews

The forthcoming NAO review will evaluate our market studies work and follow up on the previous review of competition activities.

The Hampton Implementation Review commences in late October, with the results due at the end of the year. The team will be interviewing the Chairman and CEO as part of the process.

Farepak

We have been informed that Park Hampers has now set up the trust fund as it had agreed to do following the review of hamper saving schemes in the light of Farepak.

Executive Director, Markets & Projects

Anti-Money Laundering Directive

The project status is being reviewed following the discussion of the options at the last Board meeting.

Resources and Recruitment

M&P's resources are stretched which is having an impact on the progress of certain projects, for instance, the Construction Recruitment Forum. However, resources are being shared across the teams and groups within M&P as far as possible.

The Board, noting the impact of resource levels on various projects, emphasised the importance of, and strongly supported, the current recruitment initiatives especially for Directors and at grades 6 and 7. It considered that information on staffing and vacancy levels should be added to the regular monthly reports. It also requested a one line explanation of any changes to the milestone status of a project, in addition to the narrative report. Overall, the Board welcomed the further development of the new system of reporting.

Chief Operating Officer

Race equality

A report in the Guardian stated that 23 Government departments, including the OFT, were in breach of their statutory duty to comply with race equality legislation. The alleged breach relates to implementation of a change in the detail required for keeping records of staff numbers broken down by diversity indicators (race, disability, etc). The Cabinet Office will be writing directly to the Equality and Human Rights Commission to record its concern about the handling of this matter.

Assistant Chief Executive

Nothing to report.

General Counsel

S75

This matter was heard in the House of Lords this week. The judgment is due in November.

Director, Communications

The Dairy case had received substantial coverage, most of which was positive. Mike Haley had appeared on GMTV this morning talking about a major initiative involving the Serious and Organised Crime Agency in relation to mass marketing scams in relation to Nigeria, a subject that had also been reflected in that day's media coverage.

The Competition Commission's provisional findings in relation to Supermarkets is expected by the end of the month.

Comms has arranged for a team of journalists to visit the office in November to learn more about the OFT's merger work.

Item 4: Work of the Markets and Projects Infrastructure Group

The M&P Infrastructure Group provided the Board with an overview of its priorities, current workload and approach to portfolio development.

It was noted that the Group boundaries in M&P were not rigid, and that the ED would like to see an increase in the volume of the portfolio across M&P combined with further sharing of resources.

Item 5: Future of OFT: Organisational Modelling & Strategy

The Board received a short update on the Future of OFT project and work of the team to date. Key present, or planned, outputs were overall framework, portfolio management, market intervention strategies and core OFT functions.

The Board was advised that the project had given the ExCo a better view of all the work being carried out across the Office.

The team will be having a discussion with ExCo and the Senior Directors in November about the next steps, and will update the Board in December prior to wider staff engagement.

Item 6: Effective Project Delivery

The Board received a short update on this project.

The Board welcomed the progress that had been made and noted the plans underway to train staff on the new processes and demonstrate the benefits to those who might be sceptical. Leadership from the top and effective staff training are essential to secure effective embedding of EPD, which the Board strongly supported.

Item 7: Risk Management Policy & Strategy

The Board agreed that the Risk Strategy document could be issued to staff as a 'working draft', subject to certain changes. These included: enhanced examples, and the clarification of roles and responsibilities including the individual responsibilities of Executive Directors and the Communications Director.

The Board asked if the definition of 'risk' used in the document had been

tested with staff. It was confirmed that the definition had been used in the risk workshops, and there was no suggestion from discussions that the definition was not understood.

The Board felt that it was important to test the practical application of content of the document with staff and obtain feedback. The document could then be reviewed in the light of experience for finalisation in about a year's time.

Item 8: ICT Strategy

The Board received a presentation from the IT team and CapGemini on an approach to a new ICT strategy.

The Board noted that the preliminary assessment of the capital cost was very substantial, as was the preliminary assessment of the benefits.

Supporting the overall high-level approach outlined, the Board noted that effective staff engagement, ensuring that the ICT strategy met the various different needs of the business, and tight project management would be essential.

The Board stressed the importance of excellent ICT for staff to support their work and endorsed in principle the creation of an ICT Governance Forum to take the project forward.

The ICT Strategy would be developed in the coming months and would come back to the Board for more detailed consideration in December.

Item 9: Any other business

The Chairman thanked Alan Giles and Bronwyn Curtis for joining him at a 'Meet the Board' lunch with staff earlier this week. Feedback had been very favourable, with staff welcoming the informal atmosphere and ability to find out about the Board and ask questions about anything of concern to them. A second session will be held on 10 October.

Papers below the line

Item 10: Conflicts of Interest/Rules of Procedure

The Chairman asked the Board to provide any comments on the draft by 11 October.

Francesca Seymour
Board Secretary
5 October 2007