

Minutes of the Office of Fair Trading Board Meeting

Thursday 6 September 2007

Present

Philip Collins (Chairman)

John Fingleton (CEO)

Sean Williams

Allan Asher

Lord Blackwell

Bronwyn Curtis

Alan Giles

Frederic Jenny

Richard Whish

OFT Staff

Bart Smith

Christine Wade

Ali Nikpay (for Jonathan May)

Richard Emmott

Brian McHenry

Sarah Kaye

Jessica Precious

Rosie Aujla

Ray Hall

Simon Brindley

Debbie Kitcher

Peter Swan

David Philpott

Philip Crabtree

Winnie Ching

Paul Goldsworthy

Executive Office

Erik Wilson

Francesca Seymour (Secretary)

Jennifer Halliday

Steve Rayner

Item 1: Minutes of the last meeting

The minutes of the July meeting were accepted as a true record.

Item 2: ExCo Report

Jessica Precious and Rosie Aujla introduced the new format for the ExCo report to the Board. The new format and the information flowed to a significant degree from the material generated within the Effective Project Delivery system.

The new format provided the Board, on a monthly basis, with a report setting out the milestones, and delivery against them, for the significant projects across the office and a narrative report which reflected key activities and developments over the past month. On a half-yearly basis, the Board would also receive a progress report on delivery against Annual Plan commitments.

The new format was welcomed by the Board as a major improvement in the way information is reported. Specific points that the Board wished to be developed further were consistency between the reports and in the use of flags and codes within them, the highlighting of developments within the month and the need to keep the narratives as succinct and relevant as possible. Sean Williams extended his thanks for this work to the Effective Project Delivery team, and to Policy and Strategy as a whole.

CEO

Chapter II/Article 82

A successful cross-office internal workshop on Chapter II/Article 82 and the development of casework had been held and it was intended to hold further workshops in other important policy areas, starting with approaches to settlement, or voluntary resolution, of cases (see further below).

Prioritisation

ExCo has identified two areas of immediate priority (recruitment and mid-year appraisals) to drive quick and significant improvements. Going

forward, ExCo will identify priority areas in a rolling programme for executive-led improvement drives.

Whitehall

The CEO reported on recent Whitehall meetings.

Executive Director, Markets and Projects

Prioritisation

The new principles for prioritisation are now operational, and have been applied in practice for the first time in the decision to start a project to review ITV's Contract Rights Renewal Undertakings which were given following the Granada/Carlton merger.

Executive Director, Policy and Strategy (Ali Nikpay for Jonathan May)

Private Actions

We are holding a public hearing in London on 24 September, which will be followed by recommendations to Government.

Settlements/Voluntary Resolution

Wouter Wils of the Commission's Legal Service is addressing an internal meeting on this subject and this is to be followed by an internal OFT roundtable to discuss policy in CA98 cases in late September. The aim is to pull together key issues and to work towards a general consensus on the scope and application of such arrangements. Board Members are welcome to attend the roundtable on 19 September.

Competition Compliance

The Chairman, Richard Emmott and Ali Nikpay outlined plans for a compliance campaign targeted initially at major PLC's which aimed to raise Board level awareness and to offer engagement with senior legal personnel. The Board agreed in principle to this campaign.

Chief Operating Officer

Nothing to report.

General Counsel

Litigation

August saw two appeals dismissed at the CAT, in the Brannigan and CGC cases.

Communications

Richard Emmott reviewed various recent events including the CEO's appearance at the TISC during the summer, the airline fuel surcharges case, and the personal current accounts test case. Generally recent announcements had been successful both in terms of effectiveness in delivery of message, and breadth of coverage.

Stakeholder Communications

A new appointment has been made to map out and pull together stakeholder communications.

Assistant Chief Executive

Hampton

The Hampton Implementation Review Team will be visiting OFT in the autumn, and will be seeing the Chairman and CEO.

Item 3: Annual Plan

Sarah Kaye outlined proposals to keep the fundamental objective-based structure of the annual plan for this year (subject to consultation with stakeholders) based around the OFT Vision. The Board agreed with this approach and that the focus for the year should shift from internal functions and capacity building within the organisation to delivery of high impact outcomes across markets generally and without identifying priority markets. The team were also encouraged to consider including in the plan

a clear overall picture of the work of the OFT and how its constituent parts fit together.

Item 4: Anti Money Laundering Directive

The team explained the background to the regulations implementing the Directive. The regulations come into effect in December and if the Board approved, the team intended to produce a business case for a registration system which could be introduced in 2008.

Before putting forward this business case the Board encouraged the team to consider the costs and implications both for business and for the OFT of a the introduction and operation of registration system, possible alternatives to such a system, the nature of the information the OFT needed from business in order to exercise its supervisory function of monitoring and enforcement and how such information would be used.

Item 5: PROMOD

The Board noted the present position and the remedial action that had been taken to respond to the challenges of implementing the PROMOD system. The Chairman thanked the team for their hard work, and asked them to pass his thanks on to their staff.

Item 6: Conflicts of interest and Rules of Procedure

The Chairman introduced the paper and described the purpose of the proposed changes in the rules of procedure which are intended to reflect recent developments and current practice and clarify roles and responsibilities without being unduly prescriptive.

The Board made a number of detailed comments and suggestions for improving the structure and content of the draft including the relationship between the description of the main responsibilities of the Board and ExCo and the proposed list of matters for Board involvement. It discussed the principle of collective responsibility, the application of HMT guidelines in relation to Board responsibilities and the changes to the guidance on conflicts of interest.

The Board approved the proposed approach. A further draft to reflect the discussion would be circulated to the Board for comment later this month, with a view to a final text being approved at the October meeting. This draft will include proposals on financial thresholds for items requiring Board approval.

Item 7: Any other business

Scotland

The new administration in Scotland is conducting a consultation on the scope and range of devolved powers. This includes reference to the competition regime and whether or not there is a case for a separate Scottish regime.

Competition Quadrilateral

The Board was updated on the recent Quadrilateral where the main issues discussed were the outcome of the Peer Review, and the format and content of the review, and proposals to facilitate private actions.

Board Away Day

The next away day is currently planned for April or May next year.

Consumer Direct

Progress was being made in understanding the implications of Consumer Voice and its impact on Consumer Direct. The Board would be asked to discuss Consumer Direct later in the year.

Item 8: Recruitment Policy

The CEO outlined how the new policy would introduce greater flexibility and ensure that recruitment is delegated to groups and make the system more fluid and focussed on specific business needs. Three pilots schemes are being run; in the Chief Economist's office, and in the cartels and advisory, policy and international groups.

The Board noted and approved the new policy.

Philip Collins
Chairman
20 September 2007