

Minutes of the Office of Fair Trading Board Meeting

Thursday 1 March 2007

Present

Philip Collins (Chairman)

John Fingleton (CEO)

Jonathan May

Allan Asher

Lord Blackwell

Richard Whish

Rosalind Wright

OFT Staff

Tony Donaldson

Daniel Gordon

Sarah Kaye

Steve Lisseter

Brian McHenry

Hannah Priest

Simon Pritchard

David Ruck

Bart Smith

Christine Wade

Simon Williams

In attendance

Sean Williams

Executive Office

Erik Wilson

Francesca Seymour (Secretary)

**Item 1: Minutes from the last Board meeting (1 February)
(OFT(07)2nd minutes)**

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

Item 2: ExCo Report

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

Assistant Chief Executive

Varney Report

The Varney Report is currently with HMT.

Consumer Direct and Trading Standards Service

The response by Consumer Direct and Trading Standards to the petrol contamination incident has been very good, with teams quickly preparing detailed advice for use with the large number of callers.

(Christine Wade left the meeting to attend a business engagement)

CEO

Meeting with EU Commissioner for Competition

The Chairman, CEO and OFT officials met Neelie Kroes and her Director General, Philip Lowe on 19 February. The meeting covered a range of mutual interests, including evaluation and prioritisation.

House of Lords Committee on Economic Regulators

The CEO appeared before the Committee on 27 February to follow up on the written evidence submitted in January.

Grade 6 promotion round

Interviews for internal candidates will take place over the next two weeks.

Executive Director, Policy & Strategy

Stern report

Defra has sought the Chief Economist's views as a follow-up to the Stern report. This includes work on productivity analysis. This was also raised at the OECD last month.

Acting Executive Director, Markets & Projects

Effective Project Delivery

The first meeting of the EPD ASB has taken place and agreed its workstrands.

PPRS

The public response has been generally good, with some mixed signals from the industry. The CEO attended both the launch breakfast and dinner with MPs and industry representatives.

Buses

DfT is working on new road transport arrangements based on local partnerships which have implications for buses.

Chief Operating Officer

Power failure in Fleetbank House – 13 February

The power failure has had a knock-on effect to the Promod testing project, and has resulted in a further 2-3 week delay. A full report on the power failure is expected shortly, and a separate alarm system is being installed which will alert the security staff of such an emergency.

Relocation

It was confirmed that we are looking at civil estate options first as potential new accommodation.

CSR07

The letter from the Chief Secretary to the Treasury is still awaited.
(this arrived during the course of the meeting).

Director of Communications

New OFT website

The launch went well, and received positive comments from stakeholders.

Scams awareness month

This had gone well, with 21 articles in the national press and a mini series on GMTV.

Comms Away Day

The Comms team are having an away day on 2 March, looking at its forward work programme.

General Counsel

Toys and Kit

These cases are now over following the Court of Appeal's rejections of the appeals and the House of Lords refusal of leave to appeal. On kit, we understand that a follow-on action on behalf of consumers is to be brought by Which?

Makers case

The dismissal by the CAT of the Makers appeal was significant.

Item 3: Mergers

Simon Pritchard gave the Board an overview of work in the Mergers area. The Board noted that although merger and acquisition activity had increased, the mergers caseload had actually decreased. This is due to the

fact that the team is spending more time on tough cases, rather than on those of little impact.

The Board were taken through how the team handles risk, and was given examples of the OFT's work through case studies. On the revised interim arrangements for informal advice, these appeared to be working well and to be generally accepted by practitioners. The Board was advised that we plan to go out to public consultation on revised mergers guidance shortly, and will publish the findings.

Whilst the focus in Mergers is on developing talent and retaining staff, resources are an issue. This is something that ExCo needs to take the lead on, and identify what needs to be done for the office as a whole.

The Board thanked Simon for an informative presentation.

Item 4: Airports

The Board gave outline approval for a reference to the Competition Commission. It agreed with the process proposed, i.e. that the team will circulate the draft decision and terms of reference in time for the Board to formally approve the reference by the end of March.

Item 5: Governance/Board & ExCo structure

This paper was tabled as work in progress to be discussed in more detail at the Board away day in May. The aim of the exercise is to ensure that the Board is involved in the right projects at the right stage, and to be clear how the relationship between the Board and Executive works. The latter point also needs to be communicated both to staff, and externally.

The Board agreed to have a further discussion at the Board away day in May.

Item 6: Annual Plan consultation update

The Board was advised that the Annual Plan would be laid before Parliament at 1100 on 24 March. Comments received thus far on the new format were positive, some comments were expected to arrive on the deadline (2 March).

The Board was broadly happy with the changes proposed in the paper.

Item 7: Any other business

ExCo work

ExCo is looking at the language used on project delivery, and will discuss next week. Presentations linking the vision to the work programme are being led by ExCo across the office.

Rosalind Wright

This was Ros Wright's last Board meeting. The Chairman thanked Ros Wright on behalf of the Board and the OFT for her contribution over the last 4 years.

Papers below the line

Item 8: Management accounting information

The Board noted the information provided.

Item 9: Staff Event

The Board noted the information provided.

Francesca Seymour
Board Secretary
2 March 2007