

Minutes of the Office of Fair Trading Board Meeting

Thursday 2 November 2006

Present

Philip Collins (Chairman)
John Fingleton (CEO)
Allan Asher
Lord Blackwell
Richard Whish
Rosalind Wright

OFT Staff

Paul Burton
Nigel Cates
Tony Donaldson
Jonathan May
Brian McHenry
Alan McNaboe
Hannah Priest
Bart Smith
Vincent Smith
David Ruck
Christine Wade

Board Secretariat

Erik Wilson
Francesca Seymour (Board Secretary)

Item 1: Minutes from the last Board meeting (5 October) (OFT(06)9th minutes)

The minutes of the last meeting were accepted as a true record, subject to two amendments.

Matters arising:

NED recruitment process

The Board noted that there had been 121 applications which had been reduced to a long list of 27. Rockpools together with the Independent Assessor will now engage with candidates on the shortlist individually to evaluate their suitability for the posts and make a report to the Panel for the short listing stage.

OSC

The Board noted that the inspection of the OFT's operation of the RIPA powers is scheduled to take place on Tuesday, 20 March 2007.

Competition case

An update will be given to the Board in December.

Item 2: ExCo Report

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

CEO

Director Communications post

A fresh recruitment exercise will commence in the New Year.

Executive Director, Markets & Projects

The interview panel has been convened and will include Chris Stephens (Commissioners), Richard Whish (NED), John Fingleton and Catherine Bell (formerly DTI) as Chair. The long list sift is scheduled to take place on 9 November with a view to completing the exercise before Christmas, subject to scheduling restraints.

Private Enforcement workshop

Feedback from participants indicated that this event was a resounding success. The Board expressed its gratitude to Steven Altham, Ali Nikpay, Francesca Seymour, Katerina Soteri and Louise Bridger and Sarah Bowles from Events for delivering a successful conference.

SME banking review

The aim of the project has been to review the undertakings put in place following the 2002 Competition Commission report. The focus has been particularly on the transitional undertakings, which require the four largest banks in England & Wales to offer SME customers either interest on credit balances at 2.5 per cent below the base rate, or free core money transmission services.

A paper will come to the Board in due course.

Chief Operating Officer

Prioritisation Committee

Bart Smith is currently chairing the Prioritisation Committee. It has received a request for 130 posts to be filled. The committee are currently considering each application on its merits and developing a medium - and long - term recruitment strategy.

Human Resources

The Board noted staffing pressures in Human Resources.

CSR07

A meeting with HMT is scheduled to discuss the OFT's position.

Assistant Chief Executive

Consumer Direct – Maidstone location

Discussion are commencing with staff at Maidstone with a view to relocating this team to Fleetbank House.

General Counsel

Toys and kit

Both appeals have been dismissed, and right of appeal to the House of Lords refused.

Achilles

This has been dismissed by the Competition Appeals Tribunal.

Knapper

This case has been settled.

Brannigan

This case is now in the public domain. Mr Brannigan has been asked to submit a revised notice of appeal.

General

The Board agreed that a process of regular reviews on what has been covered from completed cases should be set-up, possibly inviting a Non-Executive Director to take part on more significant cases. This will complement the internal competition know-how sessions, which incorporated updates on recent cases, already in place.

Item 3: Annual Plan

The Board congratulated Nigel Cates on the draft of the Annual Plan. The team has held several staff events that have been attended by 130 staff, and the resulting comments have proved useful for both parties. The team will be targeting individual organisations as part of the ongoing consultation process to meet with either Jonathan May or Ray Watson.

The Board noted that the draft was in the process of being re-structured to include a new section on business focus, and to improve the links between competition and consumer work.

In addition to some minor textual changes, the Board asked that specific reference to our joint working with the FSA be added, and how we work in partnership with business and consumer groups. Our move towards more flexible use of resources should be noted early in the document, and career management and recruitment also needs to be mentioned.

The Plan will be published before 5 December, following electronic clearance of the revised draft by the Board.

Item 4: Market investigation

The Board discussed an ongoing market investigation.

Item 5: Any other business

Concurrency

The Board discussed how the OFT should respond to the DTI/HM Treasury consultation on concurrency. It was decided that Vincent Smith would prepare our response.

Executive Committee (ExCo) Away Day

The Board was advised that the first ExCo away day had gone well. More is being done to improve internal communications, specifically the cascading of information from Grade 5 down. The half-yearly appraisal

process is well underway, with the Chairman and CEO acting as role models for the SCS in leading on a programme of extensive 360 degree feedback.

Staff issues

The Board was informed that Alan Williams will act as Senior Director for the Services group behind Simon Priddis.

Competition stocktake

The next quadrilateral meeting with the DTI, HM Treasury and the Competition Commission will take place on 15 November.

Papers below the line

Item 7: Management accounting information

The Board noted the information provided for the six months ending 30 September.

Item 8: FSA Joint Action Plan

The Board noted the content of this information paper.

Item 9: Beagle Implementation update

The Board noted the content of this update.

Francesca Seymour
Secretary to the OFT Board
3 November 2006