

MINUTES OF THE JOINT REGULATORS' MEETING

15 April 2005

Present: Chris Bolt (PPP Arbiter and ORR) Chairman
Alistair Buchanan (OFGEM)
Philip Fletcher (OFWAT)
Nick Fincham (CAA)
Sarah Chambers (Postcomm)
Douglas McIlldoon (OFREG)
Penny Boys (OFT)
Sean Williams (OFCOM)

In attendance: Rob Toal (ORR) Secretary
Jon Turner (for ITEM 2)

Apologies: Stephen Carter (OFCOM)
Dr Harry Bush (CAA)
Alan Sutherland (WI Commissioner Scotland)
Sir John Vickers (OFT)

ITEM 1 Minutes of the 26 January 2005 meeting

1. The minutes were agreed subject to some minor revisions received at the meeting.

ITEM 2 Competition Appeals Tribunal (CAT) themes

2. Mr Turner gave a presentation on CAT themes, focussing on five areas of current interest:
 - Circumstances in which file closures can be appealed
 - Whether a failure by the regulator to take a decision within a reasonable timeframe could be appealed against to the CAT
 - Disclosure of sensitive documents
 - The binding commitments regime and informal assurances
 - Infringement decisions and witnesses
3. Members agreed that the Concurrency Working Party should consider further the issues raised in Mr Turner's presentation.

ITEM 3 Publication of minutes / notes of meetings

4. Mr Fletcher said that no comments had been received on the minutes of the 2004 JRG meetings since they had been published on Ofwat's website. It was agreed that the minutes of the 2005 meetings should be published on ORR's website.

ITEM 4 Audit of cross-regulatory initiatives

5. The Chairman introduced paper (03)(05) setting out the results of the audit of cross-regulatory groups. There was discussion about the status of some of the groups, it was agreed that the Secretary would update the table to include details of the Chairman of each group. Members agreed to provide comments on the draft report.

ITEM 5 The Hampton Review

6. Miss Boys spoke about the Hampton review, which had recommended the creation of a new 'Consumer Trading Standards Agency (CTSA)' to coordinate the enforcement work of Trading Standards Departments. The CTSA might be formed within the OFT or created as a separate body. The decision on which option to prefer will be considered as part of a wider consultation currently being prepared by DTI.
7. Mr Buchanan spoke about Ofgem's project paperless initiative which aims to reduce the volume, and improve the quality and presentation of Ofgem's published documents.

ITEM 6 NAO value for money study

8. The group noted that NAO had written to some of the group members setting out details of a VFM study looking at innovation for delivery across Government during the financial year.

ITEM 7 Tour de Table

9. Ms Chambers (**Postcomm**) reported that Postcomm is being judicially reviewed by Postwatch on a technical matter. The initial proposals for the next Royal Mail price control will be published in May 2005.
10. Mr McIlldoon (**Ofreg**) reported that a decision paper on the single Irish energy market would be published at the end of June. Plans had been developed to finance a gas pipeline between Northern Ireland and Scotland, the pipeline would be 100% bond financed and would therefore have a low cost of capital.
11. Miss Boys (**OFT**) said that Philip Collins would be taking over as Chairman of the OFT when Sir John Vickers stands down.

12. Mr Fletcher (**Ofwat**) explained that there had been no appeals to the Competition Commission following the final conclusions of the water and sewerage price control review. Ofwat would be undertaking a review of the price control review process and thinking ahead to the next review. Ofwat has published its forward work programme.
13. Mr Fincham (**CAA**) said that CAA expected to publish the NATS price control final proposals in May. As part of the review process, CAA had used oral hearings as a way of gathering additional evidence to support the decision-making process.
14. Mr Buchanan (**Ofgem**) said that there had been some merger speculation in the energy sector. Ofgem had been judicially reviewed on an issue of process. Ofgem had received a super-complaint from energywatch in relation to billing practices. DG comp intends to undertake a review of energy market liberalisation.
15. Mr Williams (**Ofcom**) said that Ofcom were due to carry out two large price controls, Ofcom were also undertaking a review of the approach to the cost of capital and intended to apply different costs of capital to different parts of BT's business. A telecoms strategic review was published in November.
16. Chris Bolt (**PPP arbiter and ORR**) explained that the Railways Bill had now become an Act and ORR would take on responsibility for rail safety regulation. The PPP Arbiter expected to receive his first referral from Metronet at the end of April.

ITEM 8 Possible items for future agendas

17. ORR would bring a paper on enforcement issues to the next meeting. Ofgem would provide an update on project paperless for the October meeting.