



Industry participants, customers
and other interested parties

*Promoting choice and value for
all gas and electricity customers*

Contact: Mike Leonard
Direct Dial: 0141 331 6002
Email: mike.leonard@ofgem.gov.uk

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'Ways of Working' – Ofgem's response to issues raised in the Ofgem Review

Executive Summary

1. In its summary of conclusions on the Ofgem Review, the Department of Energy and Climate Change (DECC) noted that the Government 'remained committed to a framework of independent economic regulation for the energy sector and to Ofgem as the independent regulator'¹. DECC also noted that Ofgem continued to be critical to meeting the Government's energy and climate change objectives.
2. The responses to DECC's 'Call for Evidence' on the Ofgem Review showed strong support for the principle of regulatory independence, which was seen as vital to providing the stability and continuity required to attract the significant investments needed in the energy sector. Furthermore, where it had been given a clear remit, Ofgem was generally considered by respondents to have performed to a high standard.
3. We welcome the Government's endorsement of the principle of independent economic regulation. We also welcome the positive assessment of our performance by respondents to the Ofgem Review. This included recognition of the role we have played in successfully establishing competitive markets, in regulating energy networks and the positive influence we have had on the development of EU energy policy. We believe that, within the policy framework set by Government, independent regulation of the energy markets continues to be crucial to the delivery of secure and sustainable energy supplies at the lowest cost to consumers.
4. Also highlighted were a number of operational issues emerging from the review on Ofgem's ways of working. These included concerns around whether we provide sufficient transparency in our decision making and value for money, on how we consult, on whether we are striking the right balance on risk management and, more generally, on the theme of engagement with stakeholders. DECC noted that these issues were a matter for Ofgem to consider.
5. We have been considering how we can best respond to these issues. Our review and conclusions are set out below under six headings: transparency and value for money, how we consult, working with other regulators, perceptions of risk, engaging with

¹ Ofgem Review: Summary of Conclusions, Department of Energy and Climate Change, URN: 11D/694, May 2011.

consumers and the Gas and Electricity Markets Authority. Key points from each heading are summarised below.

- We recognise the importance of demonstrating how Ofgem provides value for money. We have published a new transparency section on our website to give easier access to the range of data we publish on costs and spending.
- We are committed to publishing a revised consultation policy before the end of 2011. Our current thinking is to see how we might align our policy more closely with the Council of European Energy Regulators (CEER) guidelines on public consultations. We are also looking at how we can give stakeholders greater advance information on our consultation activity and greater opportunities to participate in the consultation process.
- Ofgem has a strong track record of working with other regulators both in Great Britain and in Europe. This includes playing a full part in the work of the Joint Regulators Group (JRG) and the Regulators Chief Operating Officer (COO) Group. In Europe, Ofgem plays a full role in CEER and in the Agency for the Cooperation of Energy Regulators (ACER). We also work closely with neighbouring energy regulators on the regulation of interconnectors for gas and electricity, including both the use of existing capacity and potential new investment.
- One of the more interesting themes emerging from the Ofgem Review is a perception that Ofgem is too risk averse. There are compelling reasons for caution in our approach. However, this caution needs to be seen in the wider context of our work. Over the last few years we have demonstrated our willingness to take on challenging work and to act decisively to protect the interests of existing and future energy consumers.
- We have undertaken a lot of work in recent years to improve our understanding of what really matters to consumers. These initiatives have facilitated a much greater sensitivity across the organisation to consumer issues and fed into our decision making. We are looking at how we can more successfully communicate this work and show how consumer input has shaped our decisions.
- The Ofgem Review identified concerns around the transparency of decisions taken by the Gas and Electricity Markets Authority (the Authority) and the role of non-executive members. Non-executive members play a very active part in the full range of Authority business, but we recognise that this contribution is less clearly visible outside of Ofgem. We are considering how we might increase understanding of the role of non-executive members and their contribution to the work of the Authority.

Transparency and value for money

6. In its 'Call for Evidence' on the Ofgem Review, DECC asked for views on the value for money that Ofgem provides². Respondents generally considered that Ofgem provided value for money but also that we could provide greater transparency on our costs and spending.
7. Ofgem recognises the importance of demonstrating that it provides value for money. A key aspect of our value for money strategy is the internal cost control regime (RPI-3%) we adopted in 2005, uniquely amongst the UK regulators at that time. The cost control regime places on Ofgem a requirement to realise efficiencies similar to that expected of the network companies we regulate. In the five years to 2010 we have delivered £11.9 million of savings. On the basis of our existing business plans, we expect to realise

² Ofgem Review: Call for Evidence, Department of Energy and Climate Change, URN 10D/742, July 2010

further savings of £12.5 million in the five years to 2015. We remain committed to following this disciplined approach to cost control until at least 2015.

8. However, responses to the Ofgem Review also noted that Ofgem could usefully provide more transparency on costs and spending. We have, in response, published a new Transparency section on our corporate website³. To improve visibility of this new resource, we have included a link to it on each page on our website. The Transparency section provides interested parties with access to key documents and data on costs and spending, including: details on what we spend, our strategy for making sure that we provide value for money and the arrangements we have in place to support our strategy.
9. The Transparency section includes a link to our annual Corporate Strategy and Plan, which we publish annually both in draft for consultation, and in final form, and which provides comprehensive information on our work and budget plans over a five year period. A link is also provided to our Annual Report and Accounts, which include a section on value for money and to information on the role, membership and meetings of the Gas and Electricity Markets Authority.
10. We have also published a new Transparency Statement setting out the four essential principles that underpin our approach to providing value for money. These are:
 - **transparency** – providing clear, consistent, comparable and accessible information
 - **accountability** – so that decision makers and budget holders can be held to account
 - **simplicity** – so that it is easy to understand what is going on
 - **coherence** – so that our activities are clear and logical.
11. We have also published a 'Value for Money' strategy which describes how we make sure that value is sought and achieved from our use of public funds. This strategy is designed to create an effective value for money culture across the whole organisation. Our strategy requires that:
 - the Gas and Electricity Markets Authority is required to satisfy itself that value is sought and achieved from the use of public funds
 - the senior management team and directors are responsible for putting in place the arrangements to support the delivery of our value for money strategy in each part of the organisation and for maintaining awareness of these arrangements
 - responsibility for achieving value for money lies with all members of staff and not only those with specific resource or financial responsibilities.
12. Our Transparency section provides clear links to the following key information on our spending and how we seek and demonstrate value for money:
 - our internal and external audit arrangements
 - payments to suppliers over £25,000
 - senior staff expenses
 - our 'Corporate Strategy and Plan' and 'Annual Report and Accounts'
 - our 'value for money' strategy
 - our procurement policy.

³ <http://www.ofgem.gov.uk/About%20us/transparency/Pages/transparency.aspx>

13. On 30 June 2011 we published, for the first time, a combined Annual Report and Resource Accounts, bringing together information previously published as separate documents. We believe that the combined document, together with the other steps we have taken to comply with Government requirements on transparency, demonstrates our commitment to achieving value for money.

How we consult

14. A key theme emerging from the Ofgem Review is how we consult. The principal concerns expressed include that we issue too many consultations; that consultation and supporting documents are too long and too detailed; that the timescales we give for responding to consultations are too short; and that there are too many consultations live at the same time, putting particular pressures on smaller stakeholders. It was also suggested that Ofgem should, as a matter of practice, routinely provide a timeline for its response to a consultation so that stakeholders are clear on what will happen next and when.
15. Are these concerns valid? We issue approximately 100 consultations per year. We appreciate that, on the surface, this suggests a very significant amount of consultation activity. But the reality is that, in response to fast evolving markets, we are necessarily a busy organisation with a duty to protect the interests of consumers over many areas of what is a complex energy landscape. This requires regular consultation.
16. There are strong pressures on us to consult. Indeed, in many instances we have a statutory duty to do so. Even where we have reached agreement with the companies we regulate, we are often required to consult on changes to licence conditions in order to give effect to that agreement. Where we do not have a specific obligation to consult, the principles of transparency and accountability suggest strongly that we should. Consultation can be a very effective means of improving policy via the feedback from interested parties and helps to build understanding of our work. This enables decisions to be made by consent. Consultation also helps to make clear our decision making process and, carried out properly, mitigates legal process risks, which is in the interests of both the industry and energy consumers.
17. For these reasons, regular consultation will continue to form an important part of the regulatory process. The number of consultations will inevitably vary over time. But it is worth noting that, despite the emergence of Ofgem E-Serve, the number of consultations has remained broadly steady over recent years.
18. Even for those stakeholders who do not feel that we consult too frequently, there is a concern that we do not provide sufficient time for responses. A further concern is that, having set a timescale by which responses must be submitted, we do not then always commit to a clear timescale on when we will publish a summary of responses, issue a further document, or take a decision.
19. The most recent statement on Ofgem's consultation policy was published as part of our Guidance on Impact Assessments in December 2009⁴. In that guidance, we set out our commitment to a minimum consultation period of six weeks where possible and, where the period is shorter, to explain why. We also state that we may give more than six weeks if the policy is complex or likely to be controversial, if policy is at an early stage of development, or if a consultation takes place over a holiday period. Equally we note that there may be exceptions where consultation on a policy follows a timetable set down by the Gas Act, the Electricity Act or associated licence conditions or industry codes.

⁴ Guidance on Impact Assessments, Ofgem, 151/09, December 2009

20. A review of our consultation activity in 2010 reveals that we have not managed to meet our stated policy. For example, a majority of consultations were for five weeks or less, although this did include a number of consultations where the timescale is set by statute. Only about one third of our consultations met our stated aim of six weeks. On a number of key issues we allowed ten weeks or more for consultation.
21. We recognise that our performance on consultation durations has fallen short of our stated policy. However, it is important to recognise that we often consult more than once during the course of reaching a decision and that we also take a multi-layered approach. This includes formal consultations being supplemented by other types of engagement, including seminars and workshops, all designed to help consultees engage in the consultation process.
22. We have compared our approach to that taken by other regulators to see what we might do to improve, whilst retaining the clear benefits of regular consultation. The key outcome is that we propose to publish a revised statement on Ofgem's consultation policy before the end of 2011, setting out the principles that will govern how we consult and taking full account of the comments made and the potential delays that we might face as a result of changes to our policy.
23. Our revised consultation policy will take into account the guidelines on public consultation published by the Council of European Energy Regulators (CEER). It will explain clearly the basis on which we will decide the appropriate period for consultations, including the circumstances in which we will commit to consulting for longer than the eight week period that is likely to sit at the centre of our future approach. Our current thinking is that our revised policy will be based on three distinct consultation periods, each period recognising a different degree of urgency, impact and likely interest in a proposal. These periods being:
 - **four weeks** for matters that are urgent, or which follow on from earlier consultations, or which represent minor changes to existing policies, or where we are working to a timescale set by a third party
 - **eight weeks** for consultations that are unlikely to have a very wide impact or be the subject of substantial interest
 - **twelve weeks** for consultations on significant issues where it is expected that there will be wide interest.
24. Our revised consultation policy is also likely to include a requirement for consultation documents to set out:
 - the factors that have been considered in arriving at the timescale allowed for responses, including, where relevant, an explanation as to why the timescale is less than eight weeks
 - what will happen next and when, ie when we will publish responses to a consultation or announce a decision.
25. We will also consider whether the approach set out in our revised consultation policy should apply to requests for information from licensees, so that when requesting information we would set out what will happen next and when.
26. Respondents to the Ofgem Review also expressed concerns on the length of our consultation documents and supporting material. Typically, our consultation documents are approximately 40 pages, with around 20 pages of annexes. We appreciate that there are examples of lengthier documents relating to our most significant or far reaching projects. To some extent this is an inevitable feature of the transparency required for stakeholders to fully understand and agree major proposals.

27. We recognise that lengthy consultation documents can require a significant amount of work on the part of our stakeholders. In 2005 we embarked on our internal 'Project Paperless' exercise, which was designed to reduce the length of our documents and improve their readability. Typically, our consultation documents are now shorter than in prior years. This change, which continues as part of a new internal drive on excellence in written communication, reflects our recognition that our audience has evolved and is no longer so closely aligned, as it perhaps once was, with a core group of industry specialists.
28. In recent years we also made increasing use of open consultation letters, which tend to be significantly shorter than formal consultation documents. In 2010 the majority of our consultations were issued as open letters. We expect this trend to continue.
29. We feel that good progress has been made in this important area and that our documents are now more accessible, not only to the industry but to our wider audience, including small businesses, charities and environmental bodies. We appreciate that this wider readership has a range of interests, knowledge and resources that are different to the companies we regulate. To address these differences we are also examining how we can publish plain English summaries of key consultations that are of special interest to our wider readership.
30. We are also considering how we can make better use of the annual corporate planning process to provide stakeholders with greater forward detail on our planned consultation activity. We are also looking at a major review and upgrade of our corporate website. As part of this review, we will be examining how we can use the website and other electronic communication tools to provide stakeholders with more information on our consultation activity, including regular updates on the opening and closing dates for consultations and more opportunities to actively participate in the consultation process.
31. A number of respondents argued that Ofgem should consider greater use of Post-Implementation Assessments (PIAs) to measure the outcomes of the decisions it makes following on from consultation. As is set down in our 'Guidance on Impact Assessments', our approach is that Impact Assessments should set out clearly our intentions as to the appropriate form of post-implementation review stating, for example, whether we intend to conduct a major post implementation review or rely on routine monitoring⁵. Where we decide that routine monitoring is appropriate, we will report on outcomes in our Annual Report. Where outcomes are not as expected, Ofgem will, if appropriate, flag its intention to conduct a major review.
32. To some extent this issue is about how we communicate our post-implementation assessment work – although not published as a formal PIA, all of our follow up work on our Energy Supply Probe could be seen in that light. However, we accept that this is an area where we need to explore and improve our communication.

Working with other regulators

33. A number of respondents stressed the need for and the benefits of greater cooperation between regulators. In common with other regulators, Ofgem understands the importance of the interplay between sectoral regulation and general competition policy. We are therefore conscious of the need to work in cooperation with other regulators, not least because many regulators have concurrent powers under the Competition Act 1998.
34. Ofgem plays a full part in the work of the Joint Regulators Group (JRG), which brings together the Heads of the various regulators, usually at Chief Executive

⁵ Guidance on Impact Assessments, Ofgem, 151/09, December 2009

level. The JRG meets four times a year to discuss issues of mutual interest and to report on recent developments in their own particular sector. The minutes of each meeting are published on the Ofgem corporate website and on the websites of the other regulators. The Chairs also meet on a regular basis.

35. In addition to the regular series of meetings, JRG members already collaborate on an ad hoc basis. Recent examples of this collaboration include technical approaches to cost-benefit analysis and pensions, and there is on-going collaboration through the concurrency working party. As part of a wider review JRG is considering how to improve scope for coordination and collaborative work.
36. Sectoral agendas, regulatory independence and existing obligations to collaborate, eg at EU level, place some practical limits on the scope for deeper collaboration between the regulators. However, there is a keenness to explore how enhanced collaboration between JRG members can allow greater sharing of intellectual and other resources on issues of common interest and facilitate improvement in the delivery of statutory duties. Work to assess scope for this is being proposed.
37. Ofgem is also a part of the Regulators Chief Operating Officer (COO) Group. COO brings together the operational heads of the various regulators to discuss issues of mutual concern and to exchange experiences and good practice in the support services (Finance, Human Resources, Information Management and Technology, Procurement and Building Services). The main focus in recent months has been in the area of greater collaboration between regulators, including shared services. Ofgem already provides various services to Postcomm, The Charity Commission, The Pensions Regulator and The Northern Ireland Utility Regulator, including the administration of the Northern Ireland Renewables Obligation.
38. In addition to our work with other regulators, Ofgem works actively in Europe to support the vision of a competitive, secure and sustainable European energy market that brings affordable and secure energy supplies to consumers. European energy markets and regulatory policy have an important influence on energy consumers and energy markets in Britain. We therefore welcome the general endorsement in the responses to the Ofgem Review of the value and effectiveness of our work in Europe.
39. Ofgem works closely with the European Commission, the new Agency for the Cooperation of Energy Regulators (ACER) and with fellow national energy regulators including through the Council of European Energy Regulators (CEER). Lord Mogg, Ofgem's Chairman, is currently president of CEER and in April 2010 was elected as the Chair of the ACER Board of Regulators. He also chairs the International Confederation of Energy Regulators (ICER). Ofgem also provides the vice-chair of the electricity working group, the co-chair of the group developing the gas target model and chairs or leads various other regional or sectoral groups and workstreams⁶. Ofgem also worked closely with the recently disbanded European Regulators Group for Electricity and Gas (ERGER).
40. ACER was established under the EU Third Internal Energy Package. Its role is to complement and coordinate the work of the National Regulatory Authorities (NRAs), to promote market integration through the Framework Guidelines and Network Codes established in the Third Package and to resolve disagreements between NRAs on access to cross-border infrastructure. Ofgem, through its role in ACER, is playing a leading role in the development of European Framework Guidelines for gas and electricity.

⁶ Examples include: chair of the France-UK-Ireland electricity regional initiative, chair of the European energy regulators' work on gas balancing, chair (to June 2011) of the regulators' group on the North Sea Countries Offshore Grid Initiative, lead of the North West Europe gas region's work on transparency and lead regulator on development of cross-border intraday trading in electricity.

41. CEER is the voluntary body that brings together the national energy regulators for collaboration in sharing best practice and developing positions outside ACER's remit. Ofgem is actively involved in all of the CEER working groups established to take forward its activities. For example, Ofgem has for several years led CEER's work on sustainable development.
42. In addition, Ofgem works closely with neighbouring energy regulators on the regulation of interconnectors for gas and electricity, including both the use of existing capacity and potential new investment.

Perceptions of risk

43. One of the more interesting themes emerging from the Ofgem Review is a perception that Ofgem is too risk averse. This perception arises in two related contexts: Ofgem is seen as taking too long to reach decisions because of the need to be certain that our process and decisions are legally robust; and that we use the consultation process as a means of managing legal risks that could be handled just as effectively (and perhaps at lower cost) by other and earlier types of engagement with stakeholders.
44. We consider that there are compelling reasons for caution in our approach to the management of risk. Our principal duty is to protect the interests of gas and electricity consumers. In our capacity as an independent economic regulator – and in common with other regulators – we face a range of complex challenges, many of which carry significant consequences for energy consumers and the companies we regulate. The nature of our work is therefore not only complex but can also involve the need to undertake some types of work for the first time. As a result we can, and we do, face novel legal challenges for which there is no existing example of an 'off the peg' solution that we can use or adapt from earlier work, either by Ofgem or other regulators. These challenges especially require a high degree of precision in the development of policy and robustness of the legal review process.
45. We believe that the interests of energy consumers and the companies we regulate are best served by an approach that strikes a cost effective balance between the potential impact of a decision and the resources required to achieve it. Decisions based on flawed reasoning or a lack of attention to due process can, at the very least, result in frustration and delay. Such decisions may, on occasion, also lead to legal challenges that lead to an increase in uncertainty and costs for the industry and for consumers. This can have a corrosive effect on existing and future confidence in the regulatory process. Getting the balance wrong on risk would undermine our ability to secure the regulatory settlements needed to protect the interests of energy consumers.
46. We recognise that our approach to managing the risks inherent in the legal process can and sometimes will impact on timescales and costs. But, as part of our work to respond to the issues raised in the Ofgem Review, meetings with other regulators have provided reassurance that our approach is not very different from those who face similar challenges.
47. However our concern for legal robustness needs to be seen in the wider context of our work, which demonstrates clearly that we are prepared to take difficult decisions and to act decisively. Over the last few years we have demonstrated our willingness to take on challenging work and to take difficult decisions to protect the interests of existing and future energy consumers.

48. Ofgem's Project Discovery recommended far reaching reforms of the energy market to deliver future security of supply at affordable prices. This important work, seen by some respondents to the Ofgem Review as blurring the boundary between the role of the regulator and the role of Government, was a necessary response to our duties in relation to security of supply and to future consumers. Our work on RIIO (Revenue = Incentives+Innovation+Output) reflected our willingness to develop a new and forward thinking framework to meet the challenges and opportunities of delivering the networks required for a sustainable, low carbon energy sector. Our work on the Energy Supply Probe and the Retail Market Review has shown that we are prepared to take on energy suppliers and to propose radical measures to improve the operation and transparency of the retail energy markets.

Engaging with consumers

49. An important theme emerging from the Ofgem Review is the extent to which consumers can hold Ofgem to account and influence our decisions. We have undertaken a lot of work in recent years to improve our understanding of what really matters to consumers. Important features of this work include our Consumer First programme, launched in 2007 and our Challenge Group of eight consumer experts who act as Ofgem's 'critical friend'. The Challenge Group brings into our considerations additional expertise that would be difficult to otherwise access.
50. The programme includes a Consumer First Panel, consisting of 100 energy consumers recruited from five locations across Great Britain. Panel members and the locations they are recruited from change annually. During that period panels meet regularly to discuss key energy issues, including issues impacting on their participation in the energy market. We have published research findings from the Consumer First Panels on a range of issues including price controls and smart meters. We have also undertaken and published other consumer research. Since 2009 we have published a series of Consumer Bulletins, giving updated information on our work to protect the interests of energy consumers.
51. These initiatives have facilitated a much greater sensitivity across the organisation to consumer issues and fed into our decision making. However, the responses to the Ofgem Review indicate that some stakeholders are not fully aware of the progress that we have made in this area. We are therefore looking at how we can more successfully communicate this work and show how consumer input has shaped our decisions.
52. In addition to working with other regulators, Ofgem also works in partnership with other organisations where that can help to protect the interests of consumers. Since 2008 Ofgem has worked with Citizens Advice on developing and delivering face-to-face consumer advice through the 'Energy Best Deal' scheme. The scheme works by holding training sessions for both consumers and frontline advice workers to explain how domestic consumers can reduce their energy costs by changing their tariff or energy supplier. It also raises awareness of the help available from both suppliers and Government for those who are struggling to pay their energy bills.
53. Energy Best Deal has proven to be a real success in helping consumers. Working together with Citizens Advice we have recently extended the scheme's materials to include a series of seven short films covering the scheme's key messages. These are available to view on our website and include a film showing consumers discussing the savings they have made thanks to Energy Best Deal⁷.
54. We are currently reviewing our corporate website. As part of this review we will also be looking at how we can provide an improved, more informative and more engaging experience for all of our users, but particularly for consumers and small businesses.

⁷ <http://www.ofgem.gov.uk/consumers/smebd/pages/smebd.aspx>

The outcome we are looking for is to provide these users with improved ease of access to the resources and information they need to understand our role and to empower them to participate in the energy markets with greater confidence and effectiveness.

55. Our current thinking includes looking at how we might increase the number and type of opportunities for communication with Ofgem. Examples may include: increasing the use of video conferences, webinars, online forums and feedback tools that, where relevant, provide clear links to resources designed to support wider engagement, eg plain English summaries. We also look to bring together broader groups of stakeholders, for example we host the London Forum (also known as the Citizens' Energy Forum) which brings together representatives from across Europe to focus on implementation of competitive, energy efficient and fair retail markets for consumers. The clear objective of these developments is to enhance understanding of our role, with the result that we encourage, increase and widen industry and consumer participation in our work.

The Gas and Electricity Markets Authority

56. The Ofgem Review identified a number of concerns on what is perceived as a lack of transparency on how the Gas and Electricity Markets Authority (the Authority) reaches decisions and the role that non-executive members play in that process. There were two principal concerns: the minutes of Authority meetings do not give stakeholders clear understanding of how decisions are arrived at, or the ability to gauge to what extent non-executive members provide an effective counterbalance and challenge to Ofgem.
57. The principal record of the business of the Authority is the minutes of its meetings. Since the coming into force of the Freedom of Information Act in 2005, all major regulatory bodies have published records of their meetings. Approaches to the content and length of minutes of board level meetings vary. Some bodies' minutes are redacted before issue (and explicitly say so). Some are relatively short and give no real picture of the issues at stake, stating that the Board noted a report, or was "updated on an issue" or that "The Board was updated on the results of the recent forecasting exercise".
58. The minutes of each meeting of the Authority are published on the Ofgem website shortly after they have been approved by the next monthly meeting of the Authority. We believe that the minutes are at least as full and informative as those of other economic regulators. They provide a fairly full record of the main issues at stake, agenda item by item, the considerations which the Authority had in mind when reaching its conclusions, and what exactly these were.
59. The minutes of Authority meetings do not contain a detailed blow by blow account of the discussion outlining the specific contribution of members, nor are the papers discussed at the meetings published alongside the minutes. This should not be surprising. Much of the information and analyses underpinning decisions taken by the Authority is market and price sensitive; much of the data is collected under licence requirements and protected as such under statute. Similar considerations apply to enforcement cases, to sensitive data on supply and demand and to a range of papers, themselves often highly classified, dealing with the development of regulatory policy. The need to protect both information sources and discussions on public policy development is recognised in the Freedom of Information Act 2000.
60. However, the reasoning and decision-taking leading to proposals is always fully set out in consultation documents, in announcements about 'minded to' decisions, in press releases, factsheets, briefing documents, 'open letters' and more. Where appropriate, the documents are supported by published investment appraisals, consultancy reports and other independent studies which have formed the basis of deliberations.

61. We do not, as has been suggested in the responses to DECC's 'Call for Evidence' on the Ofgem Review, see value in publishing draft Authority minutes. In the absence of the Authority's approval, draft minutes could not be seen as an accurate record of the meeting. Furthermore, depending on the timescale for the announcement of certain decisions, such as price sensitive matters, it may be necessary to redact from the draft minutes reference to the very matters that may be of most immediate interest. On the grounds of transparency, clarity and due process, decisions on such issues are best communicated in full and not in the form of draft minutes.
62. As previously noted, some responses to the Ofgem Review suggested that the way the Authority works does not allow stakeholders to judge the effectiveness of the role played by non-executive members in its business. We welcome the Government's support, in its Summary of Conclusions on the Ofgem Review, for the unitary structure of the Authority, and its recognition that this mirrors the approach adopted by most boards in the UK and the other economic regulators. Non-executive members bring to the Authority a wide range of experience and expertise and many of its non-executive members hold (or have recently held) senior positions in the private sector and on other public bodies such as Ombudsman Panels, the Financial Services Authority, the Civil Aviation Authority and the Citizens Advice Bureau.
63. In addition to playing a full part in the monthly and occasional special meetings of the Authority, non-executive members take a highly active part in many Committees of the Authority bringing them into regular contact with Ofgem staff. This is not only appreciated by Ofgem colleagues at all levels, but seen as invaluable. Indeed, there are many examples of where constructive and effective challenge from non-executive members has led to different conclusions, nuanced decisions, or requests for new analyses to be carried out.
64. However, whilst the significant contribution of non-executive members to the work of the Authority is well known and highly valued within Ofgem, we recognise that this is less clearly visible outside of Ofgem. We are therefore considering how we might increase the visibility and understanding of the role of the non-executive members and their contribution to the work of the Authority. We are also reviewing the information available on the Authority on the Ofgem corporate website, to ensure that it gives a full and clear indication of its role, working practices and the experience and expertise of its membership.