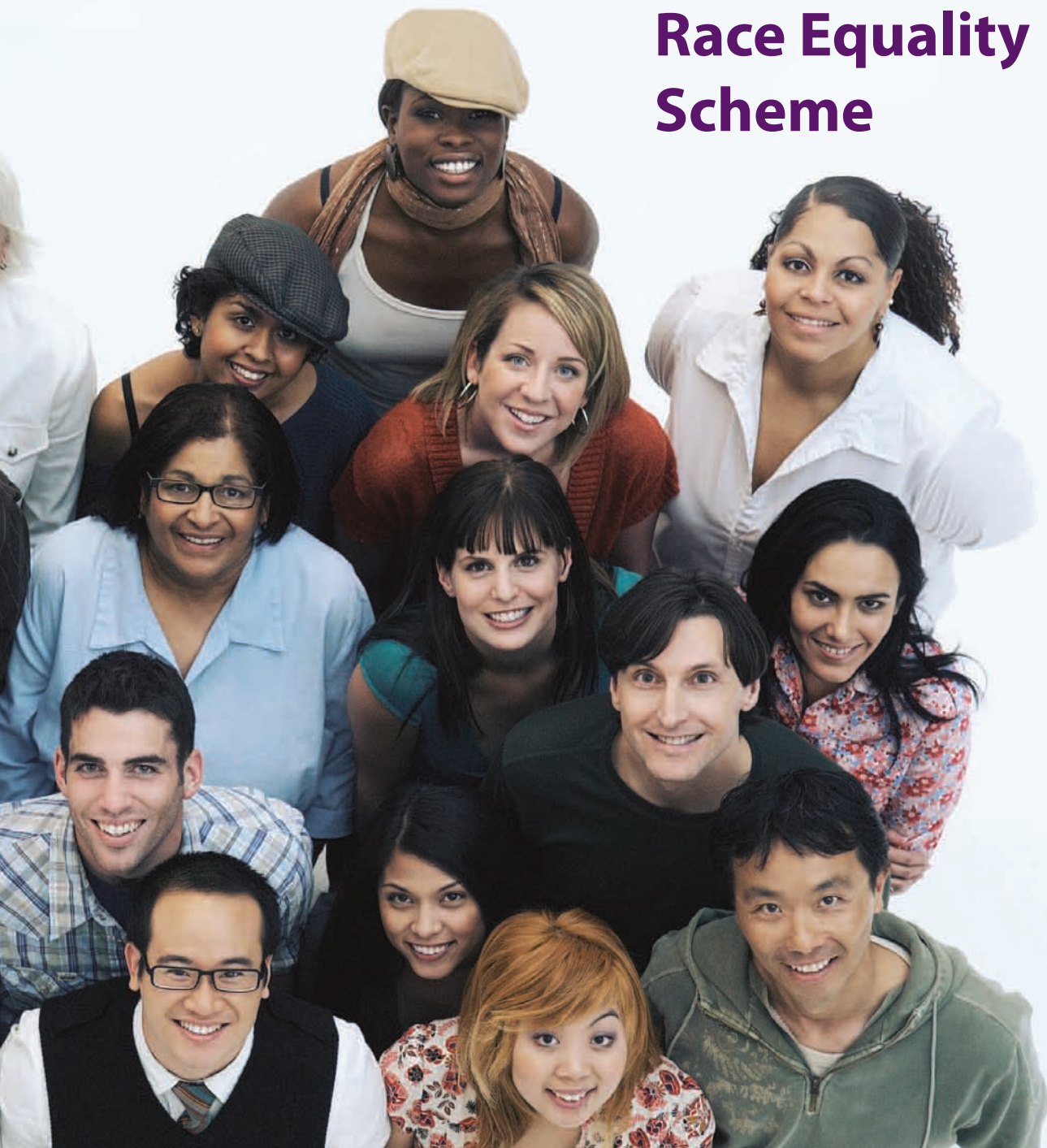


ofgem

Race Equality Scheme



Ofgem is committed to providing a service which is free of race discrimination and we aim to ensure that our policies and practices are consistent with the statutory duty.



Contents

| | |
|-------------------------------------|-------|
| Introduction | 4 |
| The Race Equality Duty | 5 |
| Ofgem's Race Equality Scheme | 5 |
| Implementing the Race Equality Duty | 6 |
| Ofgem as an employer | 6-8 |
| Ofgem's regulatory function | 9-10 |
| Access to information and services | 11 |
| Publications | 11 |
| Procurement | 11 |
| Review of Race Equality Scheme | 11 |
| Annex A: Action Plan | 12-14 |

Introduction

Ofgem is committed to promoting equality and diversity, and to improving our performance. We believe that by attracting diverse talent we can drive positive change in our organisation and improve our overall standing as a regulatory body. We are committed the need to have due regard to:

- eliminate unlawful discrimination
- promote equality of opportunity and good relations for all our people
- promote positive attitudes to race, disability and gender equality

An introduction to our equality schemes can be found at [Introducing Our Schemes](http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=2&refer=About%20us/Careers/ved) (<http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=2&refer=About%20us/Careers/ved>). This provides further details on who we are, what our function is and the purpose of our equality schemes.

The Race Relations (Amendment) Act 2000 implemented significant changes to the Race Relations Act 1976. Among these was a specific duty for all public authorities to produce a Race Equality Scheme, and to place race equality at the centre of public policy and employment practices.

The aim of the Act was to reassess the manner in which public authorities carried out their functions, and to make the promotion of equal opportunities an integral part of all public work. The intention is to change the manner in which public sector work is carried out.

Ofgem is committed to promoting and sustaining equality of opportunity in the way it carries out its functions and as an employer. Ofgem's Race Equality Scheme sets out how the duties to have due regard to eliminate racial discrimination and promote equal opportunities apply to us, and how we intend to implement those duties day to day.

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Race Equality Scheme

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The Race Equality Duty

Under the Act, public authorities like Ofgem have a statutory duty to have due regard to the need to:

- eliminate unlawful racial discrimination and
- promote equality of opportunity and good relations between persons of different racial groups.

We are committed to the observance of this duty which makes race equality central to the way in which we operate with regards to:

- policy making
- service delivery
- employment practices

The general duty is supported by specific duties which set out the methodology that should enable public authorities such as Ofgem to meet its general duty.

The specific duties require us to publish a Race Equality Scheme setting out how we will meet the duty and undertake specific monitoring duties by reference to different racial groups.

Ofgem's Race Equality Scheme

The Race Equality Scheme is a statement of strategy designed for realistic implementation of our statutory duty. Our Scheme will consider the following areas:

- which functions or work outputs are relevant to our duty to promote racial equality
- does this work affect, either positively or negatively, the promotion of racial equality
- how we intend to ensure the promotion of racial equality is manifest in our work, and how will we make this duty known to staff

- how we will monitor our staff and activities to ensure that we are complying with the statutory duties.

The Scheme has been developed through involvement and consultation with our Staff Consultative Committee, Human Resources Working Group and Senior Management Team. We are committed to consult and involve relevant representative groups on an ongoing basis as stated in our Action Plan.

The Scheme will be reviewed following the enactment of the Equality Act 2010. Our Action Plan (Annex A) will be reviewed annually and updated to reflect our progress and identify future initiatives.

Implementing the Race Equality Duty

Ofgem is committed to providing a service which is free of race discrimination and we aim to ensure that our policies and practices are consistent with the statutory duty. We are satisfied equality best practice remains an integral part of Ofgem's function but we also recognise that there are improvements that can be made. These improvements,

which we propose to make over the next 12 months are outlined in our Action Plan (Annex A).

There are several objectives we wish to consider under our Scheme. These are covered below, with an overview of current practice.

Ofgem as an Employer

We ensure that all those who work at Ofgem, have worked at Ofgem, or are potential employees of Ofgem are treated fairly and are free from discrimination and harassment. Behaviour contrary to these principles will be dealt with accordingly.

Diversity data collection has been in use for a number of years. However we are recognise that our current data collection is limited and needs to be improved. We will review our existing systems to ensure that we are able to monitor staff by racial groups throughout the employment cycle and in line with our commitment to meet our statutory duty.

We will ensure regular monitoring is conducted in relation to race, focusing on the numbers of:

- staff in post and promotions
- applicants for employment

- staff who receive training
- staff who benefit or suffer detriment as a result of our performance assessment procedures
- staff who are involved in grievance procedures
- staff who are the subject of disciplinary procedures
- staff who cease employment with us.

Statistical reports on the above will be produced by Human Resources and presented to Senior Management Team (SMT), Staff Consultative Committee (SCC) and Human Resources Working Group (HRWG) as appropriate.

a) Workforce Profile

We collate staff in post figures broken down by ethnicity, gender and disability as part of management information reporting.

We are aware that our existing systems for collating this data could be more efficient.

We will be looking at our electronic personnel database to assist with the enhanced reporting of this information.

b) Applicants for employment

Equal opportunities data from applicants for each vacancy is collected on an independent form which is removed from the application prior to any sifting and interviewing, to ensure that there is no bias on equality grounds.

As above we are aware that our existing systems for collating this needs to be more efficient and will be working with our recruitment partners to develop a data collection process and reporting on this, as part of each recruitment campaign.

c) Applicants for promotions

Promotion opportunities where expertise is available within Ofgem are advertised in internal campaigns and we will investigate any suggestions of discrimination from employees on the grounds that they have been denied equality of opportunity at any stage of the internal recruitment process.

Again, we are aware that our existing systems for collating data on this could be more efficient but expect this to improve with the development of better reporting from our electronic personnel database.

d) Learning and development

At present all training events are available to all staff, if relevant to their work and career. We will investigate any suggestions of discrimination from employees on the grounds that they have been denied access to learning and development.

We intend to strengthen our approach to equality and diversity in this area and deliver training to staff to raise awareness of their responsibilities and obligations under the Race Equality Duty, as set out in the Action Plan (Annex A).

e) Performance management and pay

We analyse all annual assessments of performance and the allocation of financial rewards in terms of race, gender and

disability (as well as grade and directorate), to see if there are any potential diversity problems.

f) Grievance and disciplinary cases

We aim, through good management, to achieve early resolution of any cases relating to grievance and disciplinary issues. This aim includes scrutiny for diversity issues

and we will continue to improve practices and policies to ensure that our processes are free of race discrimination.

g) Leavers

All staff that leave us are invited to attend an exit interview, if they wish. This is an opportunity for them to explain their reasons for leaving and give us feedback on improvements that Ofgem can reasonably make. We have reviewed this process to include feedback on equality at Ofgem.

We will report on this data and any trends to our Senior Management Team, Staff Consultative Committee and Human Resources Working Group as identified in the Action Plan (Annex A).



Race Equality Scheme

Ofgem's Regulatory Functions

We will implement the principles of the Duty by ensuring that all our dealings with industry partners, consumers and stakeholders are free from racial discrimination by conforming to the fundamental principles of better regulation which are transparency, consistency, targeting, proportionality and accountability.

We look to ensure that where customers are provided with important information – in particular where this might result in loss of supply – that non-English speaking customers are not disadvantaged. Through our consumer research we also look to understand whether there are other particular issues facing these customers which might inhibit their effective participation in the gas and electricity market. We are also aware that some medical conditions such as diabetes, strokes and sickle cell are more prevalent among particular communities and that these customers may have particular needs including increased fuel use and needs associated with lack of mobility or poor vision.

We recognise that we need to review how we formulate and implement policies and practices to ensure that their impact on all section of society has been considered as stated in Annex A. Where appropriate we will assess and consult on the likely impact of our policies on the promotion of race equality with representative groups.

Some key examples of our policy and regulatory work in relation to race equalities are outlined below:

Consumer First

The Consumer First programme is helping Ofgem to further improve our understanding of the things that really matter to consumers. It involves ongoing consumer research to inform our key policy decisions and ensures that we understand the views and needs of the diverse range of consumers. As part of the Consumer First initiative, Ofgem has commissioned research in order to better understand the barriers to market engagement for people from a range of backgrounds. This has included qualitative research conducted in Polish and in Urdu.

We also have a Consumer Panel of 100 consumers recruited from across Great Britain that is representative of the population according to a number of factors including age, gender, ethnicity, tenure, and payment method for electricity.

Networks Discretionary Reward Scheme

Under their licence conditions, gas and electricity network companies are required when asked to do so, to provide to a person whose first language is not English assistance or advice that will enable them to understand the contents of the key statements from the company.

Ofgem's Regulatory Functions continued

To encourage good practice over and above the licence requirements, Ofgem also operates a discretionary reward scheme which provides an incentive to distribution companies to develop best practice for consumers in areas that cannot be easily measured or incentivised. One of the key themes of the reward in 2008 was for recognition of the specific communication needs of particular communities. One of the companies received an award for its communication efforts to raise safety awareness among workers in their region for whom English is not their first language.

Debt and Disconnection Review

As part of this review, we appointed 'Clear for All' consultants to assess whether the suppliers' correspondence to customers who have not paid their bills were clear for the general public including people with visual impairment people with mild learning disabilities and people with limited understanding of English. Suppliers received individual reports from this assessment identifying steps they could take

to make their correspondence clearer and easier to understand. All suppliers confirmed that they had undertaken a review of the structure, wording and layout of correspondence used in their debt follow-up processes following the Clear for All recommendations.

Token Prepayment meter withdrawal

As suppliers' programmes of token meter replacement nears completion, it is essential that they are proactive in ensuring that no customer is left without supply if the token meter facility is withdrawn in an area. We have set out some steps that we believe, as a minimum, suppliers should be taking to avoid this problem. As part of this we have said that suppliers need to conduct a comprehensive communications campaign that would include a series of very clear written communications as well as proactive outbound calling, which takes account of literacy and language issues and stresses the implications of not having the meter changed.

Access to information and services

Ofgem has a dedicated consumer phone number and e-mail address available on the website. It also provides a textphone/minicom service. Our Consumer Affairs team handles all contacts from members of the public seeking information about Ofgem's role and policies, and where necessary redirects consumers to other sources of assistance such as Consumer Direct, other consumer agencies, or their energy company. Where a consumer is

vulnerable or has been disconnected or is threatened with disconnection a direct referral is made on their behalf to the consumer body Consumer Focus. We take great care to respond to everyone in a fair and equitable manner.

Members of the Consumer Affairs team have been trained in 'writing for the reader' to ensure that written responses are given in a plain and understandable form.

Publications

We regularly publish documents and accompanying press releases. Each goes through rigorous checking before publication. Consideration of any potential impact on race equality will also be given at that time.

Internal publications also require the same level of assessment in order to assess their impact. We will ensure that impact assessment is a part of the internal publication process where required.

A similar process exists for all information we make available and our website is constantly updated and monitored by our Communications Team.

Procurement

We require that external suppliers complete a pre-qualifying questionnaire to ensure their commitment to equality in their organisations and the services they provide, as part of the tender process. We will

monitor our tender processes to ensure equality and diversity continues to be a key evaluation tool when procuring goods and services.

Review of Race Equality Scheme

We will review this Scheme following the enactment of the Equality Act 2010.

If you have any queries or comments about this Scheme, please contact Human Resources on 020 7901 7312.

Annex A: Action Plan - Race Equality Scheme

We have identified a number of areas that require improvement and also areas where new initiatives will be required to take forward our statutory duties. We will implement the actions identified, in the next 12 months.

| Objective | Action | Responsibility |
|------------|---|-----------------------------------|
| Employment | Assess and consult where appropriate on the likely impact of our employment policies. Who we consult will depend on the policy we are looking at. | Human Resources |
| | Improve the capability of our electronic database to enhance our data gathering on race equality information. | Group Finance/ Human Resources |
| | Develop our workforce profile report which is presented to our Senior Management Team, Staff Consultative Committee and Human Resources Working Group to ensure that all relevant data is captured with reference to staff in post, potential employees, and those who leave Ofgem. | Human Resources |
| | We will deliver training to staff to raise awareness of their responsibilities and obligations under the Race Equality Duty. | Human Resources |
| | Work with our recruitment partners to develop our database capability to capture equality data at the recruitment stage | Operations/Human Resources |
| | Review the data gathered and implement corrective measures to ensure that we continue to promote equality of opportunity during the recruitment process | Human Resources |
| | Collect data on employee relations cases and report on this in our internal annual statistical report, unless individual anonymity cannot be protected. | Human Resources |

| Objective | Action | Responsibility |
|------------------------|--|--|
| Employment | Our exit questionnaire has been updated to capture equality and diversity information. We will continue to report on this data to Senior Management. | Human Resources |
| Functions and policies | <p>Publish Race Equality Scheme, to be reviewed in 2011. The action plan will be reviewed annually and updated as appropriate following our progress on initiatives stated herein.</p> <p>On an ongoing basis, we will assess whether the policies and procedures associated with our functions as a regulator have an impact on race equality. Where there may be an impact we will consult with relevant stakeholders including representative groups and the public as appropriate.</p> | Senior Management Team/Human Resources |
| Publications | Continue to assess the information we publish to meet our obligations as a regulator and under equality legislation. Conduct impact assessments to ensure that our processes are free from bias towards any groups on the basis of race. | Senior Management Team/Communications |
| Procurement | We will continue to ensure that all service level agreements and contracts include equality duties, as part of the standard T&Cs for contracting services and the requirement for compliance with anti-discriminatory legislation. | Procurement |

| Objective | Action | Responsibility |
|--------------------------------|---|-------------------------|
| Consultation with stakeholders | Identify and engage with relevant groups representing people from different communities, when making new policy or changes to existing policy that could have an impact on race equality. Incorporate appropriate and relevant feedback into policy development and initiatives in our work as a regulator. | Sustainable Development |
| Consumer Research | Through our consumer research and stakeholder engagement work we will look to improve our understanding of particular issues facing non-English speaking and BME customers in relation to fuel needs and engagement with the energy market. | Sustainable Development |

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