



# **ORR's single equality scheme**

**July 2012**

## Introduction

### About ORR

The Office of Rail Regulation is an independent regulator responsible for both the economic and safety regulation of the railway sector. We are a non-ministerial government department with a budget of about £30 million a year and 300 staff. Our costs are paid for by the rail sector, not directly by the taxpayer.

ORR is led by a statutory Board, appointed by the Secretary of State.

Our functions are:-

- To regulate **health and safety** in the sector. This function was transferred from the HSE in 2006 and covers the mainline railway and London Underground, light rail and the heritage sector.
- The regulation of **Network Rail as a monopoly provider** of the rail infrastructure. This involves five yearly reviews of the prices Network Rail charge for access to the network, setting the outcomes the company has to achieve (e.g. in terms of enhancements to the network's performance requirements and efficiency improvements), ensuring consistency with the Government's high level output specifications and public funding commitments, monitoring the company's performance and intervening when licence conditions are breached.
- Establishing terms and conditions under which the TOCs and freight operators **access the network**, which means we approve all train access to the mainline network.
- **Competition powers** used to address, for example, predatory pricing or exclusionary behaviour. We have similar powers to the OFT.
- **Consumer protection powers** used, for example, to ensure passengers get the information that they need and non discriminatory prices.
- The **publication of key statistics** on the performance of railways.

We have a **five year strategy** which runs to 2014 when the current price control period ends. Its vision includes:

#### *Health and Safety*

- Zero workforce and industry-caused passenger fatalities, with an ever decreasing overall safety risk.

#### *Needs of users*

- Satisfaction levels of passengers and freight users equivalent to the best in comparable railways and in other forms of transport.

*Efficiency*

- Efficiency equivalent to that achieved by the best comparable railways across the world.

The strategy sets out 7 themes which ORR expects to concentrate on in achieving its objectives:

- A focus on passenger and freight customers
- Excellence in health and safety culture
- Excellence in asset management
- Improved industry planning and delivery of major projects
- Efficient use of capacity on the mainline network
- Development by the industry of the capabilities of its people
- High quality data and information for key decisions

For further information, and to see the full strategy, see [www.rail-reg.gov.uk](http://www.rail-reg.gov.uk).

## Our duty

The public sector equality duty was created by the Equality Act 2010 and replaces the race, disability and gender equality duties. The duty came into force in April 2011 and covers age, disability, gender, gender reassignment, pregnancy and maternity, race, religion or belief and sexual orientation (referred to as 'protected characteristics'). It applies in England, Scotland and in Wales. The general equality duty is set out in section 149 of the Equality Act. In summary, we must have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation;
- Advance equality of opportunity between different groups; and
- Foster good relations between different groups.

The duty to have due regard to the need to eliminate discrimination also covers marriage and civil partnership (also referred to as 'protected characteristics').

Following a government consultation, the Equality Act 2010 (Specific Duties) Regulations 2011 were laid before Parliament for approval, and came into force on 10 September 2011. These regulations will promote the better performance of the equality duty by requiring the publication of:

- [equality objectives](#), at least every four years; and
- information to demonstrate their compliance with the equality duty, at least annually.

## **ORR as an employer**

ORR is committed to promoting equality and diversity amongst its employees and potential employees, and to engaging a workforce that reflects the wider diversity of UK society.

We aim to do this in three key ways:

- having people policies and practices which encourage, support and sustain the diversity of our workforce;
- putting equality and diversity at the heart of our management and leadership culture; and
- collecting and reporting the information that demonstrates this commitment.

ORR's statutory board review information about our workforce on a monthly basis. This includes information about staff in post, recruitment, leavers, sickness absence and learning and development. Summary information is also provided in our annual report, which is available on our website at [www.orr.gov.uk](http://www.orr.gov.uk).

ORR's human resources IS system provides the capability to report on all equality data recorded on the system. This allows special reports to be produced on an ad-hoc basis for ORR management. The authorised users abide by strict confidentiality rules.

ORR also conducts an annual staff survey which provides quantitative information on whether employees believe they have experienced discrimination, bullying or harassment at work. The results of the staff survey are carefully considered and action planning is put in place, where appropriate.

## **Organisational structure**

ORR is structured into three policy/operational directorates and three support/advisory directorates. In addition, there is a chief executive's office and a small rail policy advisory team.

Employees at ORR come from a range of backgrounds, including health and safety regulation, the Civil Service, the rail industry and financial and economic organisations. ORR stratifies roles into seven grades (A to G) plus senior civil servants, dependent on job weight, the range of responsibilities associated with a job and its impact.

## **Recruitment practices**

ORR is a complex organisation with specialist functions and responsibilities. It requires a workforce with particular types of knowledge, qualifications and experience. Nevertheless, within these constraints, ORR's aim is to establish and maintain a diverse workforce, which meets its operational and business needs whilst reflecting the diversity of UK society.

ORR follows the Recruitment Principles of the Civil Service Commission. The Civil Service Commission has two key functions, as set out in the Constitutional Reform and Governance Act 2010:

- the Commission is responsible for upholding the principle that selection to appointments in the Civil Service must be on merit and on the basis of fair and open competition; and
- the Commission can hear and determine complaints raised by civil servants under the Civil Service Code. This is the ethical code which forms part of the terms and conditions for every civil servant. The Commission also works with departments to help them to promote the Code and the core values of the Civil Service that it describes.

ORR's recruitment practices have been established following best practice across the Civil Service. A key objective of our process is to ensure that no job applicant or employee receives less favourable treatment on the grounds of race, sexual orientation, age, marital or civil partnership status, disability, religion or belief, gender, gender reassignment, pregnancy or maternity, or family and other caring responsibilities.

All vacancies are advertised and our aim is to encourage the widest possible field for any vacancy. Our aim is to reach all those people who may be interested in applying to work at ORR.

Government policy will from time to time restrict us, about who we may appoint. For example, we may have to advertise vacancies initially to civil servants who are surplus in other Government departments.

All our vacancies are advertised on the Civil Service Jobs website and there is a paper-based application form, which can be emailed. We also provide email and telephone contact details for applicants so they can obtain one-to-one support and advice on their application if needed.

ORR is a "two ticks" employer which means that we have committed to:

- interview all applicants with disabilities who meet the minimum criteria for a job vacancy and to consider them based on their abilities;
- discuss with employees with disabilities, at any time but at least once a year, what both parties can do to make sure employees with disabilities can develop and use their abilities;
- make every effort when employees become disabled to make sure they stay in employment;
- take action to ensure that all employees develop the appropriate level of disability awareness needed to make these commitments work; and

- review these commitments each year and assess what has been achieved, plan ways to improve on them and let employees and Jobcentre Plus know about progress and future plans.

ORR's selection procedures are designed to be fair, equitable and transparent. Sifting, interviewing and final selection is undertaken by a panel of appropriate employees with support from human resources to ensure fairness. All selection panels are comprised of both men and women as panel members, wherever possible. At least one panel member will be trained in conducting selection interviews or will have significant experience of doing so. All decisions are fully documented and supported by relevant reasons. Feedback is offered to candidates who reach a final selection panel but are unsuccessful.

Our processes are audited in two different ways, on an annual basis:

- firstly, to ensure compliance with the Civil Service Commission's recruitment principles; and
- secondly, to ensure that our processes are being followed.

In order to monitor the effect of our recruitment policies, we collect information about applicants and review this on a regular basis. Demographic data from applicants for each vacancy is collected through our application process. The demographic information is removed from the application before sifting and interviewing.

We will be implementing further monitoring of applicants through the recruitment process with reference to the protected characteristics (age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, marriage and civil partnership and pregnancy and maternity). We will monitor the following stages of the process:

- receipt of application;
- sifting for interview;
- interview outcomes;
- offer of employment; and
- acceptance of offer.

Further, each recruitment scheme is reviewed after it has concluded, so that we can confirm that we can fully evidence compliance with our recruitment policy and the Civil Service Commission's principles of 'fair and open competition and appointment on merit'.

## **Learning and development**

ORR places considerable emphasis on supporting all employees in reaching their full potential and supporting their career development, whether this career lies within or outside ORR. ORR supports the development of individuals through:

- providing on-the-job training and coaching to individuals by managers and peers;
- encouragement to undertake personal development and learning;
- offering a comprehensive package of learning and development opportunities (inside and outside the organisation) consisting of generic and specialist training; and
- sponsorship (including study time) for relevant formal qualifications.

We ensure that our learning and development opportunities are accessible by all employees. This is subject to agreement with an individual's line manager and, in the case of specialist courses, provided the course is appropriate for their grade and area of work.

Our generic learning and development needs are now met through Civil Service Learning. A number of e-learning packages are available which can be accessed from any location. This includes an e-learning package on equality and diversity, which all staff are strongly encouraged to complete.

Internal training events are planned so that they are accessible to a wide number of people (for example, all day courses generally do not start before 9:30 and finish no later than 16:30, and, in the case of mandatory training, are offered on a variety of working days and in various locations). ORR offers a rolling programme of internal events which enables the organisation to be more responsive and adaptive toward individual, team and organisation needs.

We ensure that all external providers of learning and development activities are committed to equality of opportunity by including a diversity clause in the service contract in line with government procurement guidelines.

If we identify trends that suggest one or more groups of staff are not applying for training due to a protected characteristic, then we will investigate this and take appropriate action. We always investigate any suggestions of discrimination from employees.

## **Pay and Reward**



ORR maintains a competitive and equitable pay and reward system which is subject to extensive consultation and negotiation with our staff representatives (including representatives of PCS and Prospect trade unions). The system is renegotiated from time to time as each pay arrangement expires.

Two key principles underpinning ORR's pay arrangements are fairness and transparency. ORR is moving away from a traditional "time-based" remuneration system - where increases in consolidated pay are dependent on time served – to a system where pay levels are determined by an individual's competence in the job. The introduction of this new arrangement will be supported by the implementation of a newly developed capability framework, with a unified and consistent set of competencies covering the whole organisation. These competencies have been developed through extensive consultation with employees, and focus on individual and management capability and behaviours.

However, ORR is currently subject to the Government's public sector pay freeze and this constrains any move to a different remuneration system. The freeze also stops any time based progression. ORR emerged from the pay freeze in August 2013 and began to develop new pay arrangements at that time, with full consultation and negotiation with our staff representatives group.

### **Performance Management**

All employees at ORR experience performance management, based around an annual performance management cycle. However, performance management at ORR is less about process and forms than about holding regular and effective management conversations. It is a requirement that all employees hold performance management discussions with their line manager at least on a quarterly basis.

At the end of each reporting year, line managers complete a full assessment of performance over the previous year, and this assessment is supplemented by an assessment from a counter-signatory. This assessment is also the basis on which any performance bonus is awarded.

As an economic regulator, ORR is committed to financial incentivisation of performance, and operates a performance bonus system that rewards individual performance and contribution. It is of course essential, if this arrangement is to provide effective incentivisation, that bonuses are awarded on a fair, equitable and consistent basis. Performance bonus awards are therefore subject to a robust moderation process, overseen by experienced human resources professionals, aimed at ensuring consistency across the organisation.

ORR scrutinises the allocation of performance bonus awards to ensure fair and consistent decision-making, and the outcomes are reviewed for any evidence of systematic bias or inequality. Any data published will be kept anonymous and confidential.

We have identified lower than expected performance bonus awards amongst lower graded staff and our black and minority ethnic employees. As a result, we have developed a development programmes targeted at administrative and support staff.

### **Promotion opportunities**

Given ORR's relatively small size, promotion opportunities are limited. However, where promotion opportunities arise and where expertise is available within ORR, internal recruitment schemes are held leading to the promotion of individuals between grades. In a small organisation, it is particularly important that such competitions are seen to be scrupulously fair, and we follow a robust process (based on our external recruitment process) to ensure that the most appropriate candidate is selected. Feedback is always offered to unsuccessful promotion candidates.

On occasions, where a job itself has grown significantly in scope, the job itself may be upgraded. Where this happens and there is an incumbent in the job, the incumbent will be substantively promoted provided their suitability has been assessed and confirmed.

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.

### **Discipline and grievance**

ORR aim, through good management, to achieve early resolution of grievances and disciplinary issues. The number of cases are small, given ORR's size, but we have in place robust policies for dealing with these, consistent with the ACAS Code of Practice on Discipline and Grievance.

Due to our relatively small size and the very small number of grievance and disciplinary cases handled, these statistics are not currently published to protect anonymity.

### **Bullying and harassment**

We have a bullying and harassment policy in place to protect staff. We monitor this through our annual staff survey and any reported cases are taken seriously and investigated. All staff are required to complete an anti-bullying and harassment e-learning package. We are also implementing anti-bullying and harassment advisers to provide support.

### **Leavers**

All staff that leave ORR are asked to undertake a voluntary exit questionnaire. They are able to identify their reasons for leaving and indicate areas for improvement at ORR. This process includes questions concerning diversity issues.

### **Absence management**

Employees at ORR benefit from a generous amount of annual leave and privilege days. ORR's policy is that where these are associated with a religious event, it is open for an employee to transfer the privilege day to another religious event according to the employee's religious belief.

People at ORR are highly committed, dedicated and enthusiastic about their work. However, from time to time, ORR recognises that on occasions staff will be unable to attend work because of illness. ORR monitors sickness absence closely under its 'managing sickness absence' and 'capability' policies. Monthly management information on sickness absence rates is considered by each director and their senior management team, with support from the HR business partner. Support is given to individuals and their managers, and preventative interventions taken where appropriate.

Where absence results from underlying health issues, ORR provides full support and guidance, with the back up of a professional occupational health provider, to support the person in getting back to work. Where appropriate, ORR will make all reasonable adjustments to an individual's working environment to enable them to work - and continue to work – at ORR. ORR takes its obligations under the Health and Safety (Display Screen Equipment) Regulations seriously, and has trained assessors available to support individuals (supported themselves by our occupational health service provider). Reports on interventions under the display screen equipment regulations are considered quarterly by our health and safety committee.

### **Flexible working**

We offer a range of flexible working patterns to staff, including part-time working, compressed hours, job-sharing and flexi-leave for lower graded employees. The aim of these arrangements is to enable all employees to work sufficiently flexibly to meet their family and caring needs, and to achieve a healthy work-life balance. Business needs are also taken into account when considering requests for flexible working.

### **Monitoring**

Under the Equality Act 2010, from January 2012, we began to publish data on our workforce. We are reviewing the functionality of our HR system and will aim to provide: a breakdown of staff based upon their protected characteristics; statistics assessing whether there is a gender pay gap and an assessment about how effective our people policies are (from our people survey). The data we produce will be anonymous and treated confidentially, so it will not be possible to link it back to specific individuals. This data will be produced on an annual basis.