



Remuneration and Staff Report



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Service contracts

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit through fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commission can be found at www.civilservicecommission.org.uk

Remuneration Policy

The remuneration of all employees is set out in their contracts and is subject to annual review in line with awards agreed by Cabinet Office and, for senior civil servants, as recommended by the Senior Salaries Review Body. Apart from the Chair, and Director of Corporate Services, our senior employees are permanent members of staff. None of them have a notice period longer than six months.

Each permanent member of staff of the Senior Leadership Team is eligible to participate in a bonus scheme that is in line with Cabinet Office guidelines. The bonus is based on the individual's performance. Bonus payments are non-consolidated and non-pensionable.

Remuneration (including salary) and pension entitlements

The following sections provide details of the remuneration and pension interests of the most senior management (i.e. Board members) of the department.



Single total figure of remuneration (audited)

Officials	Salary (£000)		Bonus payments (£000)		Benefits in kind (to nearest £100)		Pension benefits (to nearest £1,000)		Total (£000)	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Members of the Executive of Ofgem⁵										
Jonathan Brearley Chief Executive	185-190	185-190	10-15	15-20	-	-	63,000	108,000	260-265	305-310
Akshay Kaul	115-120	115-120	10-15	10-15	-	-	46,000	46,000	175-180	170-175
Amana Humayun⁶	-	85-90	-	-	-	-	-	36,000	-	120-125
Anna Rossington⁷	90-95	-	5-10	-	-	-	37,000	-	135-140	-
Anthony Pygram⁸	-	70-75	-	-	-	-	-	36,000	-	105-110
Cathryn Scott	120-125	120-125	-	15-20	-	-	41,000	64,000	160-165	195-200
Charlotte Ramsay⁹	70-75	0-5	-	-	-	-	28,000	2,000	100-105	5-10
Chris O'Connor¹⁰	225-230	-	-	-	-	-	-	-	225-230	-
Euan McVicar¹¹	10-15	130-135	-	-	-	-	6,000	52,000	20-25	180-185
Frances Warburton¹²	-	85-90	-	-	-	-	-	34,000	-	120-125
Jonathan Spence¹³	85-90	-	-	-	-	-	35,000	-	120-125	-
Mark Wiltsher¹⁴	-	95-100	-	5-10	-	-	-	38,000	-	140-145
Mary Starks¹⁵	-	70-75	-	-	-	-	-	29,000	-	100-105
Neil Kenward	100-105	100-105	-	-	-	-	32,000	133,000 ¹⁶	135-140	230-235
Neil Lawrence¹⁷	95-100	-	-	-	-	-	38,000	-	135-140	-
Patricia Dregghorn¹⁸	-	105-110	-	15-20	-	-	-	42,000	-	160-165
Peter Bingham¹⁹	105-110	-	-	-	-	-	38,000	-	140-145	-
Philippa Pickford	85-90	85-90	-	-	-	-	25,000	34,000	110,115	115-120

⁴ The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

⁵ Where directors were in post in 2020-21 but were not considered part of the management structure at that time, comparative figures are not required to be disclosed.

⁶ Left Ofgem in January 2021

⁷ Served on ExCo between February 2021 and July 2021

⁸ Left Ofgem in November 2020, and received a total compensation payment of £230,000 - £235,000

⁹ Joined Ofgem in February 2021

¹⁰ Chris O'Connor joined Ofgem in August 2021 and is covering two roles: Director of Corporate Services and Director of Transformation. He is a specialist contractor employed through a limited company for a fixed term to deliver an ambitious change programme. He is not a member of

the available pension schemes, and his role has been assessed as being within scope of the IR35 regulations; more details are shown on page 63. The full year equivalent salary is £325,000 - £330,000

¹¹ Left Ofgem in May 2021, full year equivalent salary is £130,000 - £135,000

¹² Left Ofgem in December 2020, and received a total compensation payment of £55,000 - £60,000

¹³ Served on ExCo between April 2021 and July 2021, left Ofgem December 2021, full year equivalent salary is £115,000 - £120,000

¹⁴ Served on ExCo between April 2020 and January 2021

¹⁵ Left Ofgem in September 2020, and received a total compensation payment of £45,000 - £50,000

¹⁶ 2020-21 value impacted by pay rise due to promotion

¹⁷ Joined Ofgem in July 2021, full year equivalent salary is £135,000 - £140,000

¹⁸ Left Ofgem in January 2021

¹⁹ Served on ExCo from January 2022



Officials	Salary (£000)		Bonus payments (£000)		Benefits in kind (to nearest £100)		Pension benefits (to nearest £1,000)		Total (£000)	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Members of the Executive of Ofgem										
Priya Brahmhatt-Patel ²⁰	100-105	15-20	-	-	-	-	116,000	29,000	220-225	45-50
Richard Smith ²¹	70-75	10-15	-	-	-	-	29,000	5,000	100-105	15-20
Simon Wilde ²²	155-160	150-155	-	5-10	-	-	60,000	20,000	215-220	175-180
Sinead Murray ²³	75-80	-	-	-	-	-	71,000	-	145-150	-
Stephanie Broadribb ²⁴	40-45	95-100	-	10-15	-	-	18,000	39,000	60-65	145-150
Non-executive members of the Authority										
Martin Cave Chair	160-165	160-165	-	-	-	-	-	-	160-165	160-165

Remuneration of other non-executive members of the Authority	2021-22		2020-21	
	Honorarium	Allowance	Honorarium	Allowance
Paul Grout ²⁵	£13,500	£2,000	£20,000	£3,000
Christine Farnish	£20,000	£3,000	£20,000	£3,000
Lynne Embleton	£20,000	-	£20,000	-
John Crackett	£20,000	£1,250 ²⁶	£20,000	-
Ann Robinson ²⁷	-	-	£10,500	-
Myriam Madden	£20,000	£3,000	£20,000	£3,000
Barry Panayi	£20,000	-	£20,000	-

Remuneration of members of the Enforcement Decision Panel		
	2021-22 (£'000)	2020-21 (£'000)
Megan Forbes	20-25	40-45
Amelia Fletcher	5-10	5-10
Elizabeth France	0-5	0-5
Andrew Long	5-10	0-5
Dr Ulrike Hotopp	0-5	10-15
Ali Nikpay	0-5	0-5
Dr Philip Marsden	0-5	5-10
Peter Hinchliffe	0-5	5-10

²⁰ Joined Ofgem in January 2021

²¹ Joined Ofgem in February 2021

²² Joined ExCo in December 2020

²³ Joined Ofgem in August 2021, full year equivalent salary is £115,000 - £120,000

²⁴ Left Ofgem in September 2021, full year equivalent salary is £95,000 to £100,000

²⁵ Left Ofgem in November 2021, full year equivalent of £20,000/£3,000

²⁶ Chaired RII02 committee from November 2021, full year equivalent of £3,000

²⁷ Left Ofgem in September 2020



Salary

"Salary" includes gross salary; overtime; private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by the Department and thus recorded in these accounts.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the Department and treated by HM Revenue and Customs as a taxable emolument.

Bonuses (audited)

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2021-22 relate to performance in 2020-21 and the comparative bonuses reported for 2020-21 relate to the performance in 2019-20.

In 2021-22 there were 910 staff (2020-21: 777 staff) who received a bonus. The average bonus payment was £1,301 (2020-21: £1,336) and the total amount paid in bonuses equalled £1,184,060 (2020-21: £1,038,277). Two individuals received the largest bonus of £14,000 (2020-21: three individuals received the largest bonus of £15,000).

Pay multiples (audited)

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce. The banded full year equivalent remuneration of the highest-paid director in the financial year 2021-22 was £325,000-330,000 (2020-21: £200,000-205,000). The below table shows the ratios of the mid-point of the banded remuneration of the highest-paid director, to the pay and benefits figures of the employees whose pay and benefits are on the 25th, 50th and 75th percentiles of Ofgem employees for 2021-22:

25 th Percentile (Lower Quartile) Pay Ratio	50 th Percentile (Median) Pay Ratio	75 th Percentile (Upper Quartile) Pay Ratio
11.18:1	8.54:1 (2020-21: 5.3:1)	5.95:1

The 2021-22 total pay and benefits and the salary component of total pay and benefits, of the employees on the 25th, 50th and 75th percentiles are shown below:

	25 th Percentile (Lower Quartile) £	50 th Percentile (Median) £	75 th Percentile (Upper Quartile) £
Total pay and benefits	29,298	38,357	55,067
Salary component of total pay and benefits	29,035	37,229	53,751

In 2021-22, the percentage change from 2020-21 in the full year equivalent salary and allowances of the highest-paid director was an increase of 74%²⁸, and in performance pay and bonuses payable, a decrease of 100%. The average percentage change from 2020-21 in the salary and allowances of Ofgem employees taken as a whole was a decrease of 0.1%, and in performance pay and bonuses payable, a decrease of 1.3%.

In 2021-22, none (2020-21: none) of Ofgem's employees received remuneration in excess of the highest-paid director. Employee remuneration ranged from £18,182 to £202,477 (2020-21: £18,182 to £205,000).

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

²⁸ In 2021-22 the highest-paid director was a contractor and not an employee. Refer to the Off-Payroll Appointees section on page 63 for further information.

Pension Benefits (audited)

	Accrued pension at pension age as at 31/3/22 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/22	CETV at 31/3/21	Real increase in CETV
Officials	£000	£000	£000	£000	£000
Jonathan Brearley Chief Executive	45 - 50 plus a lump sum of 70 - 75	2.5 - 5 plus a lump sum of 0	705	633	28
Akshay Kaul	10 - 15	2.5 - 5	154	120	22
Anna Rossington	25 - 30	0 - 2.5	387	346	22
Cathryn Scott	40 - 45	0 - 2.5	695	636	22
Charlotte Ramsay	0 - 5	0 - 2.5	19	1	12
Chris O'Connor	-	-	-	-	-
Euan McVicar	5 - 10	0 - 2.5	96	93	3
Jonathan Spence	20 - 25	0 - 2.5	243	220	17
Neil Kenward	30 - 35 plus a lump sum of 55 - 60	0 - 2.5 plus a lump sum of 0	543	499	13
Neil Lawrence	0 - 5	0 - 2.5	25	-	18
Peter Bingham	10 - 15	0 - 2.5	146	111	22
Philippa Pickford	25 - 30 plus a lump sum of 45 - 50	0 - 2.5 plus a lump sum of 0	430	396	9
Priya Brahmhatt-Patel	30 - 35	5 - 7.5	412	323	66
Richard Smith	0 - 5	0 - 2.5	24	3	15
Simon Wilde	10 - 15	2.5 - 5	164	115	33
Sinead Murray	30 - 35 plus a lump sum of 60 - 65	2.5 - 5 plus a lump sum of 5 - 7.5	511	436	51
Stephanie Broadribb	0 - 5	0 - 2.5	55	42	9



Civil service pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or **alpha**, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined **alpha**. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: 3 providing benefits on a final salary basis (**classic, premium or classic plus**) with a normal pension age of 60; and one providing benefits on a whole career basis (**nuvos**) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic, premium, classic plus, nuvos** and **alpha** are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into **alpha** sometime between 1 June 2015 and 1 February 2022. Because the Government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, it is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Values shown in this report – see below). All members who switch to **alpha** have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave **alpha**. (The pension figures quoted for officials show pension earned in PCSPS or **alpha** – as appropriate. Where the official has benefits in both the PCSPS and **alpha** the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a defined contribution (money purchase) pension with an employer contribution (**partnership** pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of **classic**,

premium, classic plus, nuvos and **alpha**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **Classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in **alpha** build up in a similar way to **nuvos**, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The **partnership** pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of **classic, premium** and **classic plus**, 65 for members of **nuvos**, and the higher of 65 or State Pension Age for members of **alpha**. (The pension figures quoted for officials show pension earned in PCSPS or **alpha** – as appropriate. Where the official has benefits in both the PCSPS and **alpha** the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk



Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Compensation for loss of office (audited)

No members of ExCo received compensation for loss of office during 2021-22 (2020-21: refer to footnotes on page 56).



Staff report

Average number of people employed (audited)

The average number of whole-time equivalent people employed during the year was:

			2021-22	2020-21
	Permanently employed staff	Others	Total	Total
Regulatory	349	22	371	395
Delivery & Schemes	429	48	477	423
Operations	326	72	398	369
Total	1,104	142	1,246	1,187

There was an average of 51 whole-time equivalent people in the SCS grade during the year. Of these 37 were in payband 1, 13 in payband 2, and 1 in payband 3.

Staff costs (audited)

Staff costs comprise			2021-22	2020-21
	Permanently employed staff	Others	Total	Total
Wages and salaries	53,617	11,194	64,811	57,516
Social security costs	6,032	373	6,405	5,630
Other pension costs	13,649	902	14,551	12,911
Other staff costs	74	16	90	257
Apprenticeship Levy (tax expense)	266	2	268	234
Total	73,638	12,487	86,125	76,548

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as “alpha” – are unfunded multi-employer defined benefit schemes but Ofgem is unable to identify its share of the underlying assets and liabilities.

The scheme actuary valued the PCSPS as at 31 March 2016. You can find details in the [resource accounts of the Cabinet Office: Civil Superannuation](#).

For 2021-22, employers' contributions of £14,375,547 were payable to the PCSPS (2020-21: £12,729,324) at one of four rates in the range 26.6% to 30.3% of pensionable earnings, based on salary bands.

The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2021-22 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a **partnership** pension account, a stakeholder pension with an employer contribution. Employers' contributions of £180,587 (2020-21: £175,202) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and ranged from 8% to 14.75%.

Employers also match employee contributions up to 3% of pensionable earnings. In addition, employer contributions of £7,023, (2020-21: £6,798) 0.5% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Contributions due to the **partnership** pension providers at the balance sheet date were £21,795 (2020-21: nil). Contributions prepaid at that date were nil (2020-21: nil).

Zero persons (2020-21: zero persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to nil (2020-21: nil).

Consultancy expenditure

Our expenditure on other consultancy services in 2021-22 was £23.4 million, per note 3 of the accounts (2020-21: £18.7 million; 2019-20: £15.8 million). We attempt to minimise our reliance on external support by running targeted recruitment campaigns for the skills required to deliver our strategy. We continue to use professional service support to obtain access to specialists who provide professional or legal advice in relation to the delivery of our portfolio of work, as well as those that provide specialist delivery support where it is not economical to maintain this expertise in-house.

Off-payroll appointees

Highly paid off-payroll worker engagements as at 31 March 2022, earning £245²⁹ per day or greater:

	Number
No. of existing engagements as of 31 March 2022	1
Of which, no. that existed:	
less than one year	1
for between one and two years	-
for between two and three years	-
for between three and four years	-
for four or more years	-

All highly paid off-payroll workers engaged at any point during the year ended 31 March 2022, earning £245 per day or greater:

	Number
No. of temporary off-payroll workers engaged during the year ended 31 March 2022	1
Of which:	
Not subject to off-payroll legislation	-
Subject to off-payroll legislation and determined as in-scope of IR35 ³⁰	1
Subject to off-payroll legislation and determined as out-of-scope of IR35	-
No. of engagements reassesses for compliance or assurance purposes during the year	-
Of which: No. of engagements that saw a change to IR35 status following review	-

For any off-payroll engagement of board members, and/or senior officials with significant financial responsibility between 1 April 2021 and 31 March 2022:

	Number
No. of off-payroll engagements of board members and/or senior officials with significant financial responsibility, during the financial year ³¹	1
Total no. of individuals on payroll and off-payroll that have been deemed 'board members and/or senior officials with significant financial responsibility', during the financial year	2

²⁹ The £245 threshold is set to approximate the minimum point of the pay scale for a Senior Civil Servant.

³⁰ A worker that provides their services through their own limited company or another type of intermediary to the client will be subject to off-payroll legislation and the entity must undertake an assessment to determine whether that worker is in-scope of Intermediaries legislation (IR35) or out-of-scope for tax purposes.

³¹ The recruitment campaigns to appoint a Director of Corporate Services and a Director of Transformation with the necessary skills and experience were unsuccessful. A value for money assessment concluded that appointing a specialist contractor to cover both roles would deliver a long-term saving and enable Ofgem to deliver a critical and ambitious transformation programme. A contract was signed in August 2021 for an 18 month contract. The contract was for an initial period of 3 months with an option to extend by 15 months (and the option was exercised in November 2021).



Trade union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017. These regulations place a legislative requirement on relevant public sector employers to collate and publish, on an annual basis, a range of data on the amount and cost of facility time within their organisation.

Relevant union officials

Total number of employees who were relevant union officials between 1 April 2021 and 31 March 2022:

	Number
Employees who were relevant union officials during the relevant period	9
Full-time equivalent employee number	8.7

Percentage of time spent on facility time

For employees who were relevant union officials employed between 1 April 2021 and 31 March 2022, percentage of their working hours on spent on facility time:

	Number
0%	-
1-50%	9
51-99%	-
100%	-

Percentage of pay bill spent on facility time

For employees who were relevant union officials employed between 1 April 2021 and 31 March 2022, percentage of pay bill spent on facility time:

	£ / %
Total cost of facility time	£8,257
Total pay bill	£85.767 million
Percentage of the total pay bill spent on facility time	0.01%

Paid trade union activities

For employees who were relevant union officials employed between 1 April 2021 and 31 March 2022, percentage of time spent on paid trade union activities.

	Percentage
Time spent on paid trade union activities as a percentage of total paid facility time hours (%)	19.92%



Reporting of civil service and other compensation schemes – exit packages (audited)

Exit package cost band	2021-22			2020-21		
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	-	-	-	-	1	1
£10,000 - £25,000	-	1	1	1	1	2
£25,000 - £50,000	-	3	3	-	1	1
£50,000 - £100,000	-	9	9	-	2	2
£100,000 - £150,000	-	3	3	-	-	-
£150,000 - £200,000	-	-	-	-	-	-
£200,000 - £250,000	-	-	-	-	1	1
Total number of exit packages	-	16	16	1	6	7
Total cost £000	-	1,269	1,269	16	413	429

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme (CSCS), a statutory scheme made under the Superannuation Act 1972. The table above shows the total cost of exit packages agreed and accounted for in 2021-22 (2020-21 comparative figures are also given).

Where the department has agreed early retirements, the additional costs are met by the department and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

Staff composition	Women		Men	
All employees	587	47%	674	53%
SCS Payband 1	17	46%	20	54%
SCS Payband 2	8	53%	7	47%
SCS Payband 3	0	0%	1	100%



Employee involvement

This year our staff engagement survey received a response rate of 76%, and an engagement index of 59%, a decrease of 6 percentage points on the previous year. Our staff continue to find their roles interesting (78%), believing their work gives them a sense of personal accomplishment (72%), and would recommend Ofgem as a great place to work (61% - down 6 percentage points from the previous year).

Equal opportunities policy

We recruit staff on merit through fair and open competition, in line with the Civil Service recruitment principles governed by the Civil Service Commission.

This ensures fair and open competition, regardless of:

- race;
- sex;
- sexual orientation;
- age;
- marital status;
- disability;
- religion and belief;
- gender reassignment;
- pregnancy and maternity; or
- working pattern.

All recruitment activity is subject to audit by the Civil Service Commission to ensure that we comply with the guidance set out in the recruitment principles.

Diversity and Inclusion

In our dual role as an employer and a regulator, we are committed to meeting our legal obligations and promoting equality and diversity among our workforce, in the way we work and in the industry we regulate.

We promote equality and diversity at work: in recruitment, employment, training and career development. Nobody should suffer discrimination because of age, disability, gender reassignment, pregnancy or maternity, race, religion or belief, sex or sexual orientation. We do not tolerate discrimination,

bullying or harassment. Our score for inclusion and fair treatment in the 2021 staff engagement survey was 79%. In 2021-22 there has been focus on building a diverse and inclusive workforce. We have moved to blind recruitment and diverse interview panels. We have delivered a women in leadership programme, and coaching programme for Black and Ethnic minority colleagues.

We have made good progress against our aspirational targets for a gender balanced workforce, and to increase representation of black and ethnic minorities.

In addition, Ofgem has continued to support our diversity networks covering women, LGBT+, ethnicity and disability.

In 2021-22 we continued to provide diversity and inclusion training to staff. This is part of our commitment to ensuring that in everything they do our staff understand and fulfil their obligations under the Equality Act. As at the 31 March 2022:

- 6% (2020-21: 4.3%) of staff were known to have a disability
- 46% (2020-21: 46%) of staff were women
- 44% (2020-21: 43%) of staff in managerial grades (Band D to SCS3) were women
- 43% (2020-21: 45%) of Senior Civil Service members in Ofgem were women
- 22% (2020-21: 19%) of staff were known to be of ethnic minority origin
- 30% (2020-21: 35%) of staff known to be of ethnic minority origin were in managerial grades (Band D to SCS3).

Our policy statement on equal opportunity is available to all employees.

Ofgem's gender pay gap data can be found at <https://gender-pay-gap.service.gov.uk/Employer/LkzjnGE/2020>

Diversity and inclusion formed a key aspect of our engagement this year. We continued our partnership with the BBC's 50/50 Equality Project, monitoring and embedding equality in representation across our content and engagement and reached our 50:50 target by Q4.

