

March 2016

Trust in water

Information for applicants

**Principal, Analytics Econometrician,
Permanent
Ref: OFW1640**

www.ofwat.gov.uk

o f w a t



Introduction from Cathryn Ross, Chief Executive



Water is not a dry issue.

The water sector in England and Wales has come a long way in the past 25 years. At privatisation, polluted beaches and rivers and neglected infrastructure meant we were seen as the ‘dirty man of Europe’.

The regulation of this sector was entrusted to the Water Services Regulation Authority (Ofwat) which has maintained a steady hand in driving and incentivising the sector to deliver and to improve. Over the period since privatisation, the water companies have invested more than £116 billion in maintaining and improving services for consumers and the environment. Today, for example, the amount of water lost through leaks is down by about a third since the mid-1990s. In addition, salmon have returned to the River Mersey, once considered one of the most polluted in Europe. All of this has been delivered efficiently too – a litre of tap water, supplied and taken away, costs less than half a penny.

But the world is changing. The water sector faces new problems and very different challenges. In the future, climate change may mean we get more droughts and more floods, making it harder to maintain resilient supplies. Our population is growing, putting more pressure on the water we use. Lifestyle changes have increased our appetite for water in our homes, our work places and our places of leisure. The changing social and economic landscape also means we need to reconsider how business operates and how customers are able to afford their water and sewerage bills.

Ofwat needs to be at forefront of determining and implementing a regulatory system that will protect customers’ interests, drive efficiencies and innovation, enable efficient companies to finance their functions and to ensure that the ‘promises of privatisation’ are delivered. We all need sustainable solutions to these problems.

To do this, Ofwat needs to be at the very top of its game. We need to have confidence that the companies in the sector are resilient – and make sure that others can have confidence in this through improving transparency. We also want to be able to identify the financial, structural or systematic risks to customers over time, and step in where we need to intervene. A successful applicant will support our aims in developing our monitoring and identifying the key risks, particularly focusing on building and maintaining our relationships with investors and analysts as well as

analysing the financial information companies publish. We also expect them to support any action we do need to take.

Thank you for your interest in joining Ofwat at what is a very exciting time for us. We look forward to receiving your application.

Cathryn Ross
Ofwat Chief Executive

About Ofwat and the role

Ofwat (the Water Services Regulation Authority) is the economic regulator of the water and wastewater sector in England and Wales. Our role is to help it build trust and confidence with customers, the environment and wider society. Our strategic priorities include:

- delivering the reforms provided for in the Water Act 2014 and help to ensure that they deliver real benefits for water customers and society. This includes putting in place the arrangements for the opening of the non-household retail market to competition in April 2017. It also includes supporting the development of water trading and abstraction reform. Doing these things will require further changes to the way we set prices in our 2019 review;
- maintaining the confidence of investors in the water sector and our regulation of it, though this period of change; and
- developing the means by which we monitor the sector's performance against our vision of trust and confidence, and receive assurance from the sector.
- the role is for a principal economist to join our analytics resource pool. The successful candidate will play an important role in the delivery of our periodic review 19 (PR19). The role requires both high level of technical competency as well as the ability to manage junior staff and consultants.

Analytics resource pool

Our Analytics resource pool plays an important role in delivering our strategy and our analytics people are economists, economic and financial modellers, investor relations experts, regulatory accountants and engineers.

They apply specialist professional expertise, and tools and techniques to economic regulation, as well as providing timely, high quality analysis, advice and solutions to ensure successful delivery of our programmes.

Specific professional requirements

- Experience of working across the water sector or in another regulated utility sector.
- Experience of conducting econometric modelling and efficiency benchmarking
- A good understanding of and expertise in the practical application of econometrics to cost performance benchmarking
- In-depth understanding of the relevance and impact of professional tools and techniques applied to economic regulation.
- Understanding of regulatory concepts as applied to economic regulation and water industry.
- Proactively identify economic issues and develop options to scope work programme for strategic policy and cases.
- Demonstrable use of economics to support delivery of strategic objectives by identifying and facilitating interactions and linkages between projects and cases.

Role expectations

The successful candidate could be responsible for specific projects such as:

- Supporting the development of upstream markets and determining how competition can most effectively be introduced in those markets.
- Leading / contributing to the design of new access pricing arrangements to support any market arrangements.
- Working with Government and other stakeholders on other aspects of market design in line with the Water Act 2014.
- Contributing to the re-opening of Non-Household retail price controls in the lead up to the opening of the non-household retail market in April 2017.
- Contributing to work examining the case for extending retail or supply competition and choice to household customers.
- Contributing to the risk and reward work-stream – which is looking at how we can ensure that companies are incentivised to deliver customer value and at the same time are fairly rewarded for past and future investments. This will require issues such as RCV allocation and indexation (RPI vs CPI) to be addressed.
- Examining how our approach to customer engagement and outcomes could be improved, including through new customer engagement techniques to better support ongoing engagement with customers and the development of good quality business plans by companies for PR19.
- Supporting our work on cost assessment for PR19 to more effectively challenge companies' costs at PR19 and help to address affordability.
- Contributing to assessments of the benefits and risks associated with any changes proposed.
- Supporting the implementation of our new regulatory designs, including through licence reform, the development of models and supporting tools to deliver the price control arrangements and/or the development of charging methodologies and rules.

Key deliverables

Ofwat needs to be at the forefront of determining and implementing a regulatory system that protects customers’ interests, drives efficiencies and innovation, enables efficient companies to finance their functions and ensures that the ‘promises of privatisation’ are delivered. The work that you’ll be involved in every day will be about helping us to deliver our strategy and develop sustainable solutions to these issues, delivering outcomes that matter to customers.

Our work is high profile and fast moving, within a dynamic and agile environment. Whichever of our 6 resource pools you’re part of, you’ll work flexibly across a range of longer-term programmes and projects, as well as delivering responsively at short-notice to changing priorities. You’ll also contribute proactively to our Business Transformation Programme – our far-reaching culture change programme to make the whole of Ofwat the best that we can be.

As an Principal you’ll have autonomy, responsibility and leadership opportunities, and you’ll have ample opportunities to develop and solidify your skill set. You’ll continue to hone your judgement and your ability to persuasively communicate and engage with stakeholders, both internally and externally. You’ll have the opportunity to coach and mentor others, and equally will be supported by coaching and mentoring.

Professional requirements

	Critical	Expected
Qualifications	Educated to a degree or post-graduate level in a relevant discipline	
Experience	<p>Experience in applying micro-economic theory in a regulatory environment.</p> <p>Experience of conducting econometric modelling</p>	<p>Ability to represent Ofwat with external stakeholders</p> <p>Strong track record of delivery of complex projects on time.</p>

	Critical	Expected
	<p>Ability to understand and analyse complex issues and information using quantitative methods</p> <p>Experience in effective written and oral communication, including communicating complex, technical ideas to non-experts</p> <p>Able to work under pressure and see work through to deliver results.</p>	
Knowledge	Sound knowledge of economics including quantitative techniques	Understanding of the current strategic context of the water sector

Terms and conditions of employment

Contract

This is a Permanent Appointment.

Salary

The salary range for this role is Band 4 - £48,407 - £74,042. External candidates can expect to achieve a starting salary from the bottom of the band up to £65,000, depending on relevant skills and experience required for the post. Salary is paid monthly by credit transfer.

Internal and Civil Service candidates already at this job level would normally maintain their existing salary arrangements as this would be classed as a level transfer. If applying for the role as a promotion, these candidates can typically expect

to be appointed on a salary at the bottom of the band or a 10% increase to existing salary, whichever is greater.

Location

The role will be based in either Birmingham or London. However, it is likely that travel between offices and throughout the UK will be needed to be effective.

Contracted place of work and taxable expenses

Any person who regularly works more than two days a month in both the Birmingham and London offices, irrespective of their contracted place of work, is considered by HMRC to have [two permanent workplaces](#).

The payment of your rail fare, accommodation or subsistence in this situation attracts tax and National Insurance because you are receiving a benefit.

Ofwat meets the cost of the tax and National Insurance by grossing up your expenses and recovering the net amount through your monthly pay package. But the expenses are classed as taxable earnings, which could impact on any attachment of earnings – for example, student loan repayments, high income child benefit and state benefits.

For further information on taxable expenses, please email payroll@ofwat.gsi.gov.uk.

Hours of work

The successful post holder will be required to work a minimum of 37 hours, excluding lunch breaks. You will be required to work such additional hours as is reasonable and necessary for the efficient performance of your duties.

Probation

There is a probationary period of six months for all new entrants. Subject to satisfactory performance.

Annual leave

On appointment the post holder will be entitled to 25 days annual leave plus 10½ days' public and privilege holidays a year. Annual leave entitlement will be increased by one day for each year of continuous employment with Ofwat, up to a maximum leave allowance of 30 days.

Pension

On appointment, you are eligible to join the Civil Service Pension. The Civil Service offers a choice of defined benefit and stakeholder pensions, giving you the flexibility to choose the pension that suits you best. We offer you a choice of two types of pension.

Alpha: alpha is an occupational pension scheme and provides a defined benefit worked out on a Career Average basis.

From 1 April 2016, employee contributions will be:

Payband (full-time equivalent basis)		Employee contribution rate (%)
From	To	
£0.00	£21,210	4.60
£21,211	£48,471	5.45
£48,472	£150,000	7.35
£150,001	and above	8.05

From 1 April 2016, employer contributions will be:

Payband (full-time equivalent basis)		Employer contribution rate (%)
From	To	
£0.00	£22,500	20
£22,501	£45,000	20.9
£45,001	£75,000	22.1
£75,001	and above	24.5

- **Partnership:** this is a stakeholder pension with a contribution from Ofwat. How much we pay is based on your age. We pay this regardless of whether you choose to contribute anything. You do not have to contribute but, if you do, we will also match your contributions up to 3% of your pensionable earnings. The contributions are in addition to the age-related contribution mentioned above.

To learn more about the Civil Service Pension schemes, please follow the link <http://www.civilservicepensionscheme.org.uk/>

Ofwat benefits

We also offer a range of additional benefits. These include:

- access to our package of benefits via our 'Rewards on Tap' scheme. This is a voluntary benefits scheme where staff have access to exclusive discounts on a range of goods and services such as retail outlets, theatre tickets, holidays, insurance and gym membership;
- childcare voucher scheme;
- cycle-to-work scheme;
- season ticket loan for travel between home and office;
- flexible working arrangements;
- fees paid for membership of relevant professional bodies;
- regular professional development;
- health and wellbeing initiatives such as mini-medicals, flu vaccinations, employee assistance programme and occupational health; and
- free eye tests and contribution towards lenses/spectacles for VDU users, if appropriate.

Further information

Security clearance

Any offer of appointment will be subject to satisfactory completion of security and pre-employment checks. Further information about the security checking procedure is available on request.

Nationality and immigration control

This post is open to nationals of states within the British Commonwealth and the European Economic Area (EEA) and certain members of their families. There must be no employment restriction or time limit on your permitted stay in the UK.

If you would like further information on Nationality and Immigration Control, please email us at people@ofwat.gsi.gov.uk.

Stocks or shares

Because of the nature of the information you will come into contact with and the need to be wholly independent of the water sector in England and Wales, you and your family (including your spouse or civil partner and any children or step-children under the age of 18 who still live at home, or any other member of your household) will be precluded from owning, purchasing or dealing in the shares of the water companies and their holding companies.

How to apply

Applications should include a:

- curriculum vitae (**CV**);
- **covering letter** or supporting statement that outlines the contribution you can make to Ofwat, including how you feel you meet our professional requirements and demonstrate behaviours outlined in our competency framework;
- completed **CV supplement form**; and
- completed **diversity monitoring form**. This form is not mandatory.

Please email your CV and supporting documents to recruitment@ofwat.gsi.gov.uk by the closing date.

If you are unable to make an electronic application, you may submit your application on paper. Please contact us to find out how.

Selection timetable

Closing date	5.00pm, Wednesday 29th March 2017
Sifting	Friday 31th March 2017
Interview date	w/c: 3rd April

If you have any queries about any aspect of this role or selection process, please call Michelle Randall, on 0121 644 7501.

Expenses

We will refund travelling costs at the rate of standard rail fare for the journey or motor mileage rates (cars: 25p per mile).

Please note that proof of purchase will be required for all public transport expenses.

We cannot refund expenses for travel into the UK. If you have to stay overnight, please contact recruitment@ofwat.gsi.gov.uk for further details.

Data protection

We will use your application only to inform the selection process, after which we will destroy it. If you are successful, it will form the basis of your personal record with us and we will store it in manual and electronic files.

We will hold any data about you in completely secure conditions, with restricted access. Information in statistical form on present and former employees is given to appropriate outside bodies.

We will include data that you provide on the diversity monitoring form in a general database for statistical monitoring purposes only, enabling us to monitor the effectiveness of our policy on equal opportunities in employment. Individuals will not be identified by name.

We shall consider that, by applying for this role, you are giving your consent to the processing of your data in the ways described above.

Diversity

Ofwat aims to be an equal opportunities employer. We intend to make sure that there is equality of opportunity and fair treatment for all irrespective of:

- age;
- disability;
- gender reassignment;

- marriage and civil partnership status;
- pregnancy and maternity;
- race, religion or belief; or
- sex or sexual orientation.

We would like to assure you that we will treat the information you provide on the diversity monitoring form in the strictest confidence and only use it to help us monitor appropriate equal opportunities policies. This information plays no part in our selection process.

Investors in People (IIP)

Ofwat has IIP accreditation which reflects good management practices throughout our organisation, including in business planning, individual objective setting, learning and development opportunities, as well as continuous constructive feedback through our delivery and development conversations approach to performance management.

Complaints procedure

The process of recruitment and assessment embraces the principles of fair and open competition and best practice. The first is to maintain the principle of selection for appointment to the Civil Service on merit on the basis of fair and open competition as outlined in the [Civil Service Recruitment Principles](#). The second is to promote an understanding of the [Civil Service Code](#) which sets out the constitutional framework in which all civil servants work and the values they are expected to uphold, and to hear and determine appeals made under it.

If feel your application has not been treated in accordance with the recruitment principles and you wish to make a complaint, you should contact Natasha Harris, Principal, Operations (People), Ofwat, Centre City Tower, 7 Hill Street, Birmingham, B5 4UA in the first instance. If you are not satisfied with the response you receive from us you can contact the Civil Service Commission