

April 2018

Trust in water

# Information for applicants

**Director of Economic Regulation**  
**Ref: OFWBC-229**

[www.ofwat.gov.uk](http://www.ofwat.gov.uk)

**ofwat**



## Introduction from Rachel Fletcher, Chief Executive



### **Water is not a dry issue.**

The water sector in England and Wales has come a long way in the past 27 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 £140 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 to have trust and confidence in the water and wastewater services we receive.

To do this, Ofwat needs to be at the very top of its game. Thank you for your interest in joining Ofwat at what is a very exciting time for us. We look forward to receiving your application.

**Rachel Fletcher**  
**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:

- Working with the sector to improve the customer experience in particular by improving resilience, delivering a step change in customer service, maintaining affordability and driving efficiency.
- Improving information and transparency in the sector to hold companies to account.
- Supporting the development and investability of markets, to enable the sector to deliver more for less.
- Securing stakeholder engagement and support for change.
- Ensuring Ofwat has the skills, experience, systems, processes and culture to deliver the strategy.

Our focus as a regulator is on regulating in a pro-market way which means establishing an effective framework that improves information (e.g. quality and visibility); improves buyers' and sellers' ability to transact (e.g. reducing 'transaction costs'); and/or by improving incentives on buyers and sellers to transact efficiently. In addition, we will look to make targeted interventions only, rather than taking a prescriptive, one-size-fits-all approach.

## Analytics resource pool

This role sits within our Analytics resource pool. Our analytics resource pool plays an important role in delivering our strategy, including working on key programmes such as the current price review, "PR19", market outcomes and enforcement, finance and governance, Thames Tideway and developing our regulatory framework. It is the home to economists, engineers, financial experts and regulatory analysts. You will play an active role in the management of the Pool.

## PR19 Programme

The PR19 Programme is responsible for delivering the price review for the period from 2020 to 2025 and, for the next 2 years, is Ofwat's largest Programme. The Programme will require most resources in the Analytics Pool including this role.

The Programme will apply the [final methodology](#) published last December (2017) to assess water and waste water companies' business plans which are due to be submitted to Ofwat on 3 September 2018. Our role is to scrutinise and challenge the plans to ensure they are efficient, affordable, provide resilience in the round and great customer service; and meet companies' statutory and licence obligations. The price review will conclude in December 2019. You will play a key role in the delivery of the PR19 programme.

## **Role expectations for Directors at Ofwat**

### **Leadership**

- To provide strong intellectual leadership and strategic input to the team delivering the work within your area of responsibility and within the analytics pool.
- To be responsible for working as an effective member of the Ofwat wider leadership team and for the development of Ofwat's vision and strategic direction; demonstrating effective leadership and actively participating in cross working and multi-functional teams.
- To lead and manage projects and people within the programme and the Analytics pool, ensuring that all areas deliver services which are joined up and work together efficiently.
- To act as an ambassador for Ofwat's key values – the "SAILOR" values – of support, ambition, integrity, learning, ownership and respect.

### **Corporate**

- To promote a positive image of Ofwat externally when in discussions with partner organisations, stakeholders and outside bodies.
- To play an active role in the Analytics Pool. This will involve providing wider leadership in the area of regulatory economics, including coaching and professional development. This will also involve ensuring that we apply the most up to date thinking. It will involve contributing to our learning culture through helping non-expert colleagues develop their awareness of regulatory economics and expert colleagues deepen and update their knowledge. Continuous learning and development in the role is expected.

- To be a resource manager within the Analytics resource pool, to take responsibility for delivery and development of specified individuals in the analytics pool and to work with other resource managers to ensure the analytics resource pool maintains a cohesive identity and that analytics staff contribute to their full potential.
- To support the matrix management operating structure through a flexible approach to work.

## **Stakeholder**

- To ensure robust and effective engagement with Ofwat stakeholders.
- To develop, manage and maintain effective relationships with stakeholders, specifically peers in other Government departments and organisations at local, regional and national level.
- To challenge and influence decisions and outcomes in accordance with Ofwat strategic priorities.

## **Specific Role Profile**

Your immediate priority will be to lead the Outcomes and Customer Engagement work stream in the PR19 price review. This work is expected to complete in March 2020. Following the completion of the price review, you may be called upon to lead work across any of our current and future programmes in your capacity as a Director of Economic Regulation. You are most likely to be required to lead the work shaping the next price review (PR24) or a work stream requiring significant intellectual leadership, technical regulatory ability, as well as advanced people and stakeholder management skills.

You will be part of the PR19 leadership team, alongside other work stream directors, to ensure the successful delivery of the PR19 programme. You will lead the PR19 Outcomes and Customer Engagement work stream. This is a large and strategically important portfolio of work. Our aim is to ensure that companies truly understand what their customers want and are willing to pay for, are committed to deliver levels of service that reflect this, and the Outcome Delivery Incentives we agree to successfully align shareholder and customer interests.

This work area is also one of the most significant in terms of the team size (10 full time equivalent initially, growing to around 35 by September 2018) and the variety and complexity of issues covered. You will also be responsible for leading a

discussion on your work area with the members of the Senior Leadership Team and the Board.

You will lead the delivery of a number of specific work streams including: (i) water companies' customer engagement; (ii) the outcomes they are proposing to deliver for their customers (including the reconciliation of performance commitments from the PR14 review); and (iii) their proposals to address affordability and vulnerability. The post holder will also be responsible for development of the measures of customer experience for customers (C-MeX) and developers (D-MeX).

## Professional requirements

	Critical	Expected
Qualifications	A degree in a numerate discipline.	Post graduate degree in a relevant branch of economics
Experience	<p>Experience in applying micro-economic theory in a regulatory environment.</p> <p>Experience of acting as a thought leader.</p> <p>Experience of successfully leading large/complex projects against demanding deadlines, including planning, resource management, identification and management of risks</p> <p>Experience of stakeholder management including government and industry.</p> <p>Experience in developing and performance managing junior colleagues.</p>	<p>Substantial experience of leading application of regulatory economics in Government, economic regulators, competition authorities, regulated companies or consultancies.</p> <p>Substantial experience of leading multi-disciplinary teams (including external organisations) in delivering high quality policy, strategic thinking and analytical frameworks to assess company behaviour against.</p> <p>Experience managing consultancy input and advice</p> <p>Experience in a regulated industry</p>
Knowledge and skills	<p>Advanced and up-to-date knowledge of regulatory economics.</p> <p>Understanding the relevance and the impact of best practice in policy development and being able to apply this.</p> <p>Understanding of the political dimensions of operating within a regulatory sector</p> <p>Ability to lead complex technical work</p> <p>Ability to think strategically and understand strategic issues; to ensure deliverables meet strategic objectives and recommendations, taking action with little instruction to make changes that make a positive difference.</p> <p>Ability to communicate complex concepts to a wide variety of stakeholders.</p>	<p>Continued updating of regulatory economic knowledge including markets based (competition) knowledge.</p> <p>Understanding of the water sector and the economic regulation of that sector would be an advantage although not essential.</p>

## Terms and conditions of employment

### Contract

This is a permanent appointment.

### Salary

The salary range for this role is Band 5 - £74,783 - £112,174. 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.

This means that you will not be required to meet the costs of travel to the office location where you are not based.

For further information on taxable expenses, please email [payroll@ofwat.gsi.gov.uk](mailto: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, the post holder will be transferred to permanent establishment at the end of their probation.

## 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 2018, member contributions will be based on actual salaries.

From 1 April 2018, employee contributions will be:

Actual pensionable salary (annual)	All members
Up to and including £21,636	4.60%
£21,637 to £51,515	5.45%
£51,516 to £150,000	7.35%
£150,001 and above	8.05%

From 1 April 2018, employer contributions will be:

Revised Salary Band (£)	ASLC rate from 1 April 2018
23,000 and under	20.0%
23,001 to 45,500	20.9%
45,501 to 77,000	22.1%
77,001 and over	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.

Employer age-related contributions will be:

Age at the last 6 April	ASLC rate from 1 April 2018
Under 31	8%
31 to 35	9%
36 to 40	11%
41 to 45	13.5%
46 or over	14.75%

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; 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](mailto: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](mailto: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	Monday 7 May @ 5:00PM
Sifting	By Friday 11 May
Interview date	Mid-May to early June 2018

If you have any queries about any aspect of this role or selection process, please email [recruitment@ofwat.gsi.gov.uk](mailto:recruitment@ofwat.gsi.gov.uk)

## 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](mailto: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, Director, 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 at [info@csc.gsi.gov.uk](mailto:info@csc.gsi.gov.uk).