

May 2018

Trust in water

# Information for applicants

**Economist, Senior Associate**  
**Ref: OFWBC-236**

[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 the sector build trust and confidence with customers, the environment and wider society. Our strategic priorities include:

- **Delivering more for less for customers** including through innovation, by regulating monopolies and developing markets;
- **Holding companies to account** for good customer outcomes – by taking action when things go wrong, improving transparency and requiring companies to put customer interests at the heart of all they do;
- **Taking a long-term view of the sector**, the impact of continuing environmental change, the development of the economy and customers' changing expectations, to see how regulation, and Ofwat as the regulator, can evolve; and
- **Ensuring Ofwat is fit for the future**, with the right culture, skills, governance, systems, and processes.

Our focus as a regulator is on regulating in a pro-market way. This means improving the ability for customers and other organisations to challenge companies directly – through greater transparency, information, and representation. It also means creating incentives for companies to behave in the right ways, and for them to understand how their customers expect them to behave.

We also want companies to take responsibility for their own obligations and performance, and we will only intervene where we are not confident that they are doing so.

One of our most important tools for regulating the monopoly water and sewerage companies in England and Wales is our **price review**, which we set every five years. In PR19, we will set price limits which limit how much water and wastewater companies can charge their customers (in our 'final determinations', or FD). This review covers a sector providing a vital service for everyone in England and Wales, with an industry revenue of £50bn and assets worth £60bn – so this is no small task.

This requires us to examine company business plans in detail, and assess whether or not they have met customer expectations. We think that customers in England and Wales want high quality, sustainable and resilient water and wastewater services, at a price they can afford. Company business plans will need to show that

they can provide these services today; that future services will be resilient; that the environment will be protected and provide confidence that future bills will be affordable.

You will be part of the team that assesses company business plans (which will be published in September 2018) to decide whether company business plans really achieve all of these objectives, and intervenes to set prices limits for customers. This could include taking a leading role in a number of potential areas as a regulatory economist, such as:

- **Cost efficiency** – we expect companies to challenge themselves and identify efficiency improvements in their business plans. But we will also challenge them further to make sure that costs are efficient. This includes econometric modelling, but also assessing individual infrastructure schemes and looking at factors which might only apply in particular regions of England and Wales to increase or reduce costs.
- You could help to ensure that companies are more efficient in delivering their essential water and sewerage services to customers.
- **Markets and innovation** – we have proposed new price controls which can help to facilitate the development of markets as well as incentivising efficiency. And we have encouraged ‘direct procurement’, which involves a water company competitively tendering the delivery, financing and operation of large scale projects.
- You could help to assess these plans and create a greater role for markets in the water sector, where these can help to make services more efficient.
- **Aligning risk and return** – in order to allow companies to pay for debt and attract investment, we set an ‘allowed return’ based on the market evidence for an efficient company. We will also need to make sure that efficient companies will be able to finance their activities for the next five years under our price control – and that there are incentives on investors that will benefit customers.
- You could help to ensure that the balance between companies and investors is set appropriately, with the right incentives on investors. This includes designing and assessing incentives such as our outcome delivery incentives (ODIs).
- **Wholesale and retail controls** – we have proposed separate price controls for parts of the water and wastewater value chains, and will need to ensure that the right incentives are set through the forms of these controls.

- You could help to look across all of the controls and ensure that incentives are aligned properly – as well as assessing the incentives for cross-cutting issues such as innovation and resilience.
- **Quality assurance** – it is important that all of our analysis and decisions are robust, and our independent programme assurance team will challenge teams on both their process and analysis.
- You could help to challenge teams to ensure that our economic analysis is as robust as it should be.

Ofwat is also a place where people enjoy working - in our last survey, 82% of our staff said that they enjoyed their job. We are in the top decile of civil service departments for staff engagement, too, with 75% of our staff saying that they would recommend this as a great place to work.

## What skills do we need?

We need **senior economists** with experience in economic regulation, particularly in the water sector or price reviews in other regulated sectors.

As a Senior Associate, you would play a key role in our price review, perhaps managing a project or providing key economic analysis or advice. In playing a key role in our programmes or projects, you'll ensure that we're delivering on our strategic objectives to time and to budget, and also contribute to the effective identification and management of strategic risk and opportunities.

Our Senior Associates have autonomy, responsibility and leadership opportunities - and you would have ample opportunities to develop and consolidate your skill set. You will definitely be a self-starter and to that end will require minimal supervision and oversight from senior colleagues. You will continue to hone your judgement and be expected to exercise it responsibly in line with our strategy and ways of working.

You will also be developing and using your ability to persuasively communicate and engage with stakeholders, both internally and externally. You would be expected to provide support to colleagues across the office, proactively sharing skills and knowledge, and equally will be supported by coaching and mentoring.

## Key deliverables and behaviours

Successful candidates will be expected to work on different projects across the price review, and sometimes on our wider programmes and projects too.

Our organisational culture is very important to us, and we expect all of our people to uphold [our values](#) of support, ambition, integrity, learning, ownership, and respect. We have a well-supported, agile and flexible working environment – and have an autonomous and trust based culture to help you succeed within Ofwat.

## Professional requirements

	Essential	Desirable
<b>Qualifications</b>	Educated to degree or post-graduate level in a relevant discipline	Post-graduate degree or equivalent in a relevant discipline
<b>Experience</b>	<p>Experience of developing and applying an analytical framework and economic concepts to assess complex information.</p> <p>Experience of working under pressure to produce high quality analysis to tight timescales while managing competing priorities</p> <p>Experience of building effective relationships and networks with relevant internal staff and external peers</p> <p>Experience of applying economic concepts and analytical techniques to economic regulation, including one or more of the following:</p> <ul style="list-style-type: none"> <li>• Incentive design and the allocation of risk;</li> <li>• Setting the cost of capital and margins; and</li> </ul>	<p>Experience with economic regulation, particularly in the water sector or price reviews in other regulated sectors</p> <p>Experience of working in a regulated environment with a regulator or regulated company</p> <p>Experience of leading a team to deliver complex tasks and projects, including managing multi-disciplinary teams and consultants</p> <p>Experience of working in a project and programme environment, including managing and escalating risks</p>

	<b>Essential</b>	<b>Desirable</b>
	<ul style="list-style-type: none"> <li>• Cost assessment and modelling.</li> </ul> <p>Experience of providing robust evidence-based policy advice drawing on sound knowledge of relevant theory and analytical techniques</p>	
<b>Skills</b>	<p>Excellent oral and written communication skills, including the ability to communicate complex analysis and issues to non-technical audiences</p> <p>Ability to take ownership and accountability for delivery of tasks and projects.</p> <p>Ability to collect and assess evidence to make robust decisions.</p> <p>Ability to work in multi-disciplinary teams with colleagues with different but complementary backgrounds</p>	
<b>Knowledge</b>	<p>In-depth knowledge of economics and its application to economic regulation</p> <p>Highly numerate with strong analytical skills</p>	

## Terms and conditions of employment

### Contract

These are fixed term appointments until March 2020.

### Salary

The salary range for this role is Band 3 - £32,687 - £48,890. Salaries offered will reflect the candidate's 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.



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	1 June 2018 @ 5:00PM
Sifting	w/c 4 June
Interview date	w/c 11 June

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).