

June 2018

Trust in water

# Information for applicants

**Senior Associate, Corporate  
Finance – PR19**

**Ref: OFWBC-238**

[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 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.

This role sits within our Analytics resource pool, which plays an important role in delivering our strategy and our analytics people are economists, economic and financial modellers, corporate finance/ 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.

## Role expectations

The successful candidate will play an important part in the delivery of our strategy with particular focus on determining the appropriate risk and return package that will underpin the price determinations we will set in 2019.

The role will be to support the work-stream that is responsible for determining the cost of capital (including cost of debt, cost of equity and gearing), ensuring the price determinations we set are financeable and ensuring the financial rewards and penalties that underpin regulatory financial incentives deliver the proposed policy objectives.

The successful candidate will support development of regulatory policy through analysis of the companies in the sector and looking at available market evidence.

The successful candidate will also contribute to our other work including monitoring the companies which we regulate.

In particular, this may include looking at the ownership and financing structures of the companies we regulate, supporting our work to monitoring the financial performance and resilience of the regulated companies and work in connection with any mergers or changes in ownership which may occur.

## **Key deliverables**

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

- Carrying out analysis to support the work stream in the development of policy related to the decisions we make on the financial aspects of setting price limits at PR19.
- Reviewing submissions from stakeholders relevant to the development of policy stated above and analysing information contained in company business plans relevant to the financing aspects of the price determinations we set.
- Corporate finance analysis relevant to the financing of the water companies, including, monitoring and analysing the way in which companies are structured and financed and providing briefings internally or contributing to external publications in connection with company ownership, structures or financing arrangements
- Monitoring and understanding the financial performance of water companies including the impact of changes to their structures or financing, to inform Ofwat's assessment of the cost of debt for an efficient company.
- Work in connection with the way that we establish an appropriate cost of capital for each company (including carrying out analysis and assessment relevant to determining the cost of debt, appropriate levels of gearing and issues relevant to the cost of equity).
- Work in connection with the financial model we develop for the price review, in particular to ensure that the financial model reflects the development of regulatory policy.

- Work to understand the impact of risk and regulatory incentive mechanisms on the financial returns of water companies.
- Looking at the different ways in which companies make returns on their investments and the impact of changes in the regulatory regime on the range of returns that companies can make.
- Monitoring and understanding how credit rating agencies approach their assessment of the credit rating of water companies.
- Considering whether companies are financeable under the proposed regulatory settlement
- Supporting our process for dealing with industry structural changes including changes of ownership, mergers, and special administration.
- Work to help support our engagement with investors.
- Supporting other areas of corporate finance work, such as analysing regulatory accounts and assessing the impact of future regulatory policies.

## Professional requirements

	Critical	Desireable
Qualifications	Degree or equivalent qualification	Qualification or part-qualification in corporate finance or accountancy (e.g. ACA, CIMA, ACCA, CIPFA)
Experience	<p>Reading and interpreting financial data</p> <p>Developing and using financial indicators to monitor the performance and financial stability of companies</p> <p>Managing and building relationships with external and internal stakeholders</p> <p>Writing high-quality documents and publications.</p> <p>Presenting complex financial information in an easy-to-</p>	Understanding of the factors which influence the cost of capital which companies face

	<b>Critical</b>	<b>Desireable</b>
	<p>understand format to non-technical audiences</p> <p>Self-motivated; able to see the bigger picture and to work pro-actively</p>	
Knowledge	<p>Highly numerate with strong analytical skills</p> <p>Experienced with Excel</p>	<p>Understanding of company and group structures, how companies raise finance and the types of finance that are available to them.</p> <p>Understanding of the regulatory regime</p>

## Terms and conditions of employment

### Contract

This is a fixed term appointment until March 2020.

### Salary

The salary range for this role is Band 3 - £32,687 - £48,890. Salaries offered will reflect relevant skills and experience required for the post. Salary is paid monthly by credit transfer.

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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	26 June @ 5:00PM
Sifting	27 – 29 June
Interview date	w/c 9 July

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. If you are successful it will form the basis of your personal employee record with us and we will store it electronically within our SharePoint Electronic Document Management System (EDRMS) and our HR system iTrent. Unsuccessful applications are not retained and will be destroyed using Ofwat's secure disposal methods. If you have consented to Ofwat retaining your information for future similar employment opportunities we will retain this information and review the information annually. If at any point you decide you do not wish Ofwat to retain your information please contact us and we will ensure your information is removed from our systems, unless we are legally obliged to hold it for a further period.

We will hold any data about you in completely secure conditions and with restricted access. Information in statistical form on present and former employees in some

instances is provided to appropriate outside bodies. Wherever possible Ofwat ensures that statistical information is anonymised.

We will include data that you provide on the diversity monitoring form in a general database for statistical monitoring purposes only. This enables us to monitor the effectiveness of our policy on equal opportunities in employment. If personal identifiable information (PII) has been provided by you, it will be removed before any disclosure is made.

Ofwat considers that the information you have provided during your application has been given with your explicit consent and that you agree to the processing of your personal data as explained in this document. If you have any concerns regarding the processing of some or all of your data please inform the People Hub in writing to [people@ofwat.gsi.gov.uk](mailto:people@ofwat.gsi.gov.uk) and/or the Data Protection Officer by emailing [FOI@ofwat.gsi.gov.uk](mailto:FOI@ofwat.gsi.gov.uk). We will process your personal data in accordance with Ofwat's retention and disposal schedule which can be viewed at this link <https://www.ofwat.gov.uk/publication/retention-disposals-policy/>.

## 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).