

July 2020

Trust in water

Information for applicants

**Principal – Outcome Delivery
Incentives
Ref: OFW BC-457**

www.ofwat.gov.uk

o f w a t

INVESTORS IN PEOPLE™
We invest in people Standard



Introduction from Rachel Fletcher, Chief Executive

Improving life through water.

Water companies support all aspects of life. Safe and reliable water and wastewater services are essential for our day to day lives, our wellbeing, and our natural world.

And as the economic regulator of water and waste water in England and Wales, our role is to enable, incentivise and hold companies to account for providing the very best for customers, society and the environment now and in the future. We also oversee the markets that exist in the water sector to make sure they are working for customers.



To achieve this, we've set ourselves three goals. They are to:

- transform water companies' performance;
- drive water companies to meet long-term challenges through increased collaboration and partnerships; and
- for water companies to provide greater public value, delivering more for customers, society and the environment.

Delivering these goals will help to meet customers' needs: ensure reliable and safe water supplies today with a better environment, affordable bills and a resilient and sustainable future for water.

As we do this, we will be working to fulfil the UK and Welsh Governments' strategic priorities for Ofwat, and UK and Welsh Government policy.

We're ambitious about the future and looking for people who can help us to achieve our goals. Ofwat welcomes applications from all candidates and we intend to make sure that there is equality of opportunity and fair treatment for all that apply.

Thanks for your interest in joining Ofwat. 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. Ofwat has an ambitious new [strategy](#) and as a regulator we are setting ourselves up to achieve and equal the ambition of this new strategy. It matters to us that things on the ground really change so that our impact on customers, the environment and the future of water is tangible and meaningful.

Our work is high-profile and fast-moving, within a dynamic and agile environment. The work that you'll be involved in every day will be about helping us to deliver our strategy, helping to us to be the regulator we want to be and helping the sector to deliver outcomes that matter to customers and society. Our strategy sets out the role Ofwat will play. We will adapt, be confident, act with purpose and integrity and continuously improve so that we make the greatest contribution possible to improving life through water.

Performance and Outcomes cluster

The performance and outcomes cluster aims to develop and implement regulatory policy, monitor company performance and drive improvement to support our strategic goals for the sector and deliver the best outcomes for customers and the environment.

Because customers cannot choose who supplies them with water and wastewater services, we must ensure that companies face strong incentives to deliver the best outcomes for customers and the environment now and in the long term. We do this in a number of ways. Every five years, through price determinations we scrutinise company proposals to improve services and challenge them to improve service and the environment in an effective and efficient way. We limit the amount water companies can recover from customers.

A key element of our work is to continually monitor and review the performance of companies, to ensure they are meeting their promises and that customers and the environment receive the service they want and deserve. Where we consider companies are failing to meet our expectations we use a range of regulatory tools to intervene.

The Company Performance Monitoring and Engagement workstream within the Performance and Outcomes cluster looks at how we drive improvements in company performance informed by intelligent monitoring. We have a range of tools to improve behaviours and performance from 'hard' incentives such as financial penalties and legal enforcement to 'softer' tools such as relationship building, engagement and partnership working with other stakeholders.

We monitor the performance of companies we regulate, exploring all sources of information available to us, looking in detail at how companies have performed against set performance commitments agreed through a cycle of price determinations every 5 years. We challenge companies where necessary to take steps to improve their performance and we hold companies to account where they are not delivering in line with expectations.

One of the mechanisms we use to ensure water companies are incentivised to deliver for their customers are outcome delivery incentives (ODIs). These incentives can be reputational or financial and are applied to company performance commitments. Financial ODIs include underperformance penalties if companies do not deliver their performance commitments for their customers and, where appropriate, outperformance payments for going beyond the stretching performance commitment level and delivering additional value for customers. ODIs result in companies giving money back to customers where they fall short of their commitments to customers or when companies deliver more of what customers want and outperform their commitments they can earn outperformance payments. As a result, ODIs encourage companies to deliver more of what matters to customers such as lower leakage, fewer supply interruptions and fewer incidents of sewer flooding. To put this in context this means that across the 17 water companies there are 675 performance commitments (PCs). Water and sewerage companies average about 45 PCs each and water only companies average about 30 PCs each, with 461 PCs in total having financial ODIs and 214 having non-financial (reputational) ODIs.

The price determinations set out when performance against ODIs are validated. Essentially this is an annual (revenue) determination process. In most this is carried out each year rather than at the following price review (every 5 years). Bringing the financial impact of an ODI closer in time to the performance that generated it, focuses management on service delivery and improves companies' accountability to their customers. It also reduces the extent to which outperformance and underperformance payments related to current performance are paid for, or received by future customers.

Role expectations

Our expectation is that the post holder will lead the annual ODI determination process. This is a high-priority workstream as it is a fundamental component of Ofwat's regulation of the water sector. It will require managing a large, high profile, complex workstream, involving multiple stakeholders with a direct impact on customers and water company revenue which means a high level of interest from both stakeholders and hence a high level of public profile.

The role is challenging and rewarding with the opportunity to design new processes and consider wider/more strategic issues of how to maximise the outcomes of this process in delivering Ofwat's strategic goal of transforming company performance.

In leading an area of work in the company performance monitoring and engagement work stream, you'll ensure that we are delivering on our strategic objectives to time and to budget, and in line with our ways of working. You will make an important contribution to understanding and managing strategic risks and opportunities.

Internally, our Principals will have a voice at the leadership table, forming part of our wider leadership team, and will take responsibility for cracking our toughest problems to deliver our objectives. You will have a broad portfolio of issues, and will take ownership of a range of specific policies and procedures, taking responsibility and accountability for their success. You will be expected to have good judgement and to exercise it across complex issues responsibly in line with our strategy and ways of working.

You will be expected to provide support to colleagues across Ofwat, proactively sharing skills and knowledge, and equally will be supported by coaching and mentoring. Effective stakeholder engagement will be important for your success, as you nurture existing relationships whilst developing new ones.

Key deliverables

- Successful candidates will be expected to **work on different projects** within the company performance monitoring and engagement work stream.
- The primary responsibility will be to **build a central point of expertise and coordination for the performance commitments and associated ODIs** set in the [PR19 final determinations](#).
- They will be expected to be the **key point of contact for internal and external questions on performance commitments and ODIs**, handling issues that companies raise and any proposed changes to performance commitments. More

generally, as the key point of contact, they will be expected to **contribute in wider policy development** that draws on company performance and the performance commitment framework.

- Previously we reconciled company performance every five years with annual determination for three companies covering a small number of performance commitments. This time, for the first time, we will review and reconcile the performance of all 17 companies each year. All this **work will need to be undertaken to tight timeframes and to a high quality** that stands up to external scrutiny.
- The post holder will need to design the approach we take and the potential policy implications of our work when we undertake the reconciliation for the first time in summer 2021. This will include **developing a robust project design** and plan in preparedness for in-period determinations. This work will be peaky so project design will need to consider issues such as **workforce planning** (e.g., role of internal vs external resources, identifying the right technical skills mix etc), data collection/ management issues, **project risk assessment/management** and the **design of an appropriate governance framework** (including what internal and external documentation is needed). You may also contribute to the development of our policy and processes in relation to how companies need to demonstrate change in performance and the approach that Ofwat should take to regulation in this area.
- For the implementation phase of the in-period determination each year, it will be expected that you will **build strong stakeholder relationships** both internally and externally. This role would need to lead and be supported by technical experts (engineering, economics, legal) along with **document drafting**, comms etc.
- They will need to consider what information we need companies to submit to explain their performance, how we review and challenge this information and how we explain and evidence any interventions we decide to make. They will be expected to **take the lead role in delivering the determination process** itself. This will involve managing a multi-disciplinary team and engaging the senior team, along with the Ofwat board.
- In subsequent years, the post holder will also be expected to **pro-actively seek ways to improve the process** and learn the lessons from previous years.
- Within this work stream you may also be involved in **looking at issues relating to the accuracy and transparency of reporting by companies, company compliance with relevant license requirements** and may be involved in work to address concerns over the resilience of individual companies
- 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 |
|-----------------------|--|--|
| Qualifications | <ul style="list-style-type: none"> Educated to degree or postgraduate level in a relevant discipline (such as Mathematics, Economics, Statistics, Operational Research, or a related quantitative or analytical discipline) or significant equivalent previous experience. | |
| Experience | <ul style="list-style-type: none"> Experience of analysing and interpreting data including data collection/management issues Ability to develop and utilise performance measures to monitor performance Ability to draw conclusions from data and to present options and recommendations to senior management. Ability to understand complex concepts and to use models to demonstrate different outcomes. Experience of developing and applying an analytical framework to assess complex information. Experience of providing strong intellectual challenge under pressure to produce high quality analysis to tight timescales, while managing competing priorities. Experience of building effective relationships with senior staff and external stakeholders, and identifying and facilitating linkages between projects and work streams. | <ul style="list-style-type: none"> Experience of leading outcome performance frameworks in a regulated environment |
| Skills | <ul style="list-style-type: none"> Excellent oral and written communication skills, including the ability to communicate complex analysis and issues to nontechnical audiences Excellent analytical and decision making skills, including understanding legal, financial and economic implications of decisions Ability to lead large work streams or projects within a complex programme - tracking and reporting progress, prioritisation, strong project design and planning skills, including workforce planning, project risk assessment/management and the design of an appropriate governance framework Ability to work effectively and, manage a multi-disciplinary team and to provide support and guidance to less experienced team members to help them develop. | |
| Knowledge | <ul style="list-style-type: none"> Highly numerate with strong analytical skills. | <ul style="list-style-type: none"> Understanding of the economic regulation of the water sector including price controls. |

Terms and conditions of employment

Contract

This is a permanent appointment.

Salary

The salary range for this role is **Band 4 - £50,616 - £77,422**. External candidates can expect to achieve a starting salary from the bottom of the band up to **£60,000**, 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 predominantly in either Birmingham or London with some remote/home working. It is likely that travel between offices and throughout the UK will occasionally be needed to be effective in this role. Ofwat operates an agile working policy and during the COVID-19 pandemic staff are equipped to work from home full time, until government guidelines allow a safe return to the office. For further information please contact the recruitment team. Recruitment@ofwat.gov.uk

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.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 2020, member contributions are based on actual salaries.

From 1 April 2020, employee contributions are:

| Actual pensionable salary (annual) | All members |
|------------------------------------|-------------|
| Up to and including £22,600 | 4.60% |
| £22,601 to £54,900 | 5.45% |
| £54,901 to £150,000 | 7.35% |
| £150,001 and above | 8.05% |

From 1 April 2020, employer contributions are:

| Revised Salary Band (£) | ASLC rate from 1 April 2020 |
|-------------------------|-----------------------------|
| 23,000 and under | 26.6% |
| 23,001 to 45,500 | 27.1% |
| 45,501 to 77,000 | 27.9% |
| 77,001 and over | 30.3% |

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 are:

| Age at the last 6 April | Percentage of your pensionable earnings |
|-------------------------|---|
| 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 'Edenred' 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;
- 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.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.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 27 July 2020 @ 12:00pm |
| Sifting | 28 – 30 July 2020 |
| Interview date | 10, 12, 13 August 2020 |

Please note that during the Covid-19 pandemic interviews will be conducted via video conferencing software such as BlueJeans, Skype or Microsoft Teams. It is likely that a presentation or assessment will form part of the interview process and candidates will be given further details upon invitation to interview.

If you require reasonable adjustments due to a disability or personal circumstances please advise the recruitment team who will be happy to support where feasibly possible.

If you have any queries about any aspect of this role or selection process, please email recruitment@ofwat.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.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 indicated that you would like Ofwat to retain your information for future similar employment opportunities we will retain this information. If at any point you decide you do not wish Ofwat to retain your information for these purposes 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.

Ofwat processes all the personal data you have provided during your application as set out in Ofwat's privacy policy which is available here:

<https://www.ofwat.gov.uk/publication/privacy-policy/>. 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.gov.uk and/or the Data Protection Officer by emailing FOI@ofwat.gov.uk.

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 you feel your application has not been treated in accordance with the recruitment principles and you wish to make a complaint, you should contact Sarah Lal, Head of HR, 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.gov.uk.