

August 2020

Trust in water

Information for applicants

**Economists – Senior Associates and
Principals**
Ref: OFWBC-438

www.ofwat.gov.uk

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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. 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.

Economists

The water sector faces profound challenges, not least from climate change, population growth, and the questions around companies' licence to operate. There are also huge, untapped opportunities. Water companies are almost uniquely integrated into the communities they serve, with the potential to deliver a positive impact within their local environment.

Ofwat's strategy sets out our ambition for the water sector: providing the very best service for customers, improving the environment and improving life through water, both now and in the future – and the role it will play in achieving it. We will build on our experience of creating interdisciplinary teams so we are agile and efficient in everything that we do.

Economists work across Ofwat, with diverse opportunities to contribute to meeting our ambitious goals. Ofwat's is organised in 'clusters'. Each cluster has work programs that focus on particular areas of Ofwat's regulatory duties and its strategy. The successful candidate will join one of our clusters to deliver their work programs. Ofwat is an agile working environment, so you can expect opportunities to support other clusters and to move around the organisation as work priorities shift.

Economists are encouraged to gain a broad range of experience by working across different clusters and helping in a number of areas covering performance monitoring, regulatory enforcement, regulatory design, charging, market design and monitoring. In some areas, Ofwat will work in partnership with environmental regulators and other Government bodies.

We currently have vacancies for economists in our following clusters: Regulatory Enablers; PR24 and beyond; and the Regulators' Alliance for Progressing Infrastructure Development (RAPID).

There are roles at both Senior Associate and Principal level. Senior Associates are expected to be able to work independently with support from other team members. Principals are expected to be able to lead workstreams, which will involve identifying key economic elements and developing frameworks for assessment/development. It may also involve managing the work of others in order to deliver the project objectives.

Regulatory Enablers Cluster - Chief Economist Team

The Chief Economist Team (CET) fulfils a number of roles and is responsible for delivering unique, one-off projects. These often do not fit the remits of other teams neatly and might otherwise be completed by external consultants. We also provide support to other clusters that do not have dedicated economists in support, and provide a 'critical-friend' role in reviewing key economic arguments being developed by other clusters. Economists in this team need a broad range of microeconomics skills and may be deployed in any of the areas of Ofwat's work where needed.

Role expectations

- Work independently with support from colleagues in the CET
- Provide advice on a range of ad hoc economic issues across Ofwat
- Identify key economic issues, especially those that impact different work streams and may require common oversight.
- Develop robust economic frameworks, and identify and conduct relevant analysis.
- Continued self-development to help ensure that Ofwat stays at the forefront of economic thinking.

Key deliverables

- The economist will be expected to provide advice across a number of different areas of Ofwat's work at a time.
- Engaging with key work streams to identify common economic themes and help team develop a common approach.
- Responsible for delivering a project allocated to the CET, possibly in conjunction with other CET members, or jointly with colleagues with other skills.
- Contribute towards the L&D of economists across Ofwat.

Professional requirements

	Essential	Desirable
Qualifications	<ul style="list-style-type: none"> • Economics degree or a degree with significant economic content 	<ul style="list-style-type: none"> • Master degree with a focus on micro economics
Experience	<ul style="list-style-type: none"> • Applying economics in a regulator, competition authority or consultancy; or • Applying economics in an academic setting with relevance to regulatory or competition settings. 	<ul style="list-style-type: none"> • Experience of working in mixed teams involving accountants, engineers, lawyers and policy • Experience of applied econometrics in a competition or regulatory setting. • Experience of applied financial economics in a competition or regulatory setting.
Knowledge	<ul style="list-style-type: none"> • Good written and oral communications skills, including the ability to concisely explain complex economic issues in intuitive non-technical language. 	<ul style="list-style-type: none"> • Understanding of regulatory policy development • Understanding of market design, particularly in the development of new markets in regulated sectors

PR24 and beyond cluster

The PR24 and beyond cluster is responsible with developing the approach for future price reviews including the next price control in 2024. Though this may seem some time away, it is crucial that we begin to work with the sector to develop our approach to help deliver our long term goals for the sector. The development of a price control goes beyond setting the revenue limits and outcomes that we expect from companies but also includes examining how we can make greater use of markets and incentives to deliver better outcomes for customers and the environment. As we have just completed PR19, the development of PR24 is at an early stage and the role has the opportunity to help shape the design of PR24 and the role that they play.

Role expectations

- In-depth practical knowledge of microeconomics and its application to economic regulation
- Ability to identify economic issues and develop options in the context of policy development
- Ability to produce high quality analysis to tight timescales
- Continued self-development to help ensure that Ofwat stays at the forefront of economic thinking.
- Working with multidisciplinary teams including accountants, engineers, lawyers and policy specialists
- Engaging with companies and other stakeholders to develop and test new and innovative policies.

Key deliverables

- Leading the delivery of work in a specific areas of the price control, this could include elements of the work on incentives, markets, or outcomes and cost assessment
- Undertaking economic analysis
- Development of policy options
- Presentation of policy proposals to internal and external stakeholders

Professional requirements

	Essential	Desirable
Qualifications	<ul style="list-style-type: none"> Economics degree or a degree with significant economic content 	<ul style="list-style-type: none"> Master degree with a focus on micro economics
Experience	<ul style="list-style-type: none"> Applying economics in a regulator, competition authority or consultancy 	<ul style="list-style-type: none"> Experience of working in mixed teams involving accountants, engineers, lawyers and policy
Knowledge	<ul style="list-style-type: none"> Good written and oral communications skills, including the ability to concisely explain complex economic issues in intuitive non-technical language. Regulatory policy development Either: Financial economics and how to set the allowed return on capital. or Applied Econometrics 	<ul style="list-style-type: none"> Understanding of market design, particularly in the development of new markets in regulated sectors. Impacts of incentives on company behaviour

RAPID Cluster

Regulators' Alliance for Progressing Infrastructure Development (RAPID) has been formed to help accelerate the development of new water infrastructure and design future regulatory frameworks. The joint team is made up of the three water

regulators Ofwat, Environment Agency and Drinking Water Inspectorate. It provides a seamless regulatory interface, working with the industry to promote the development of national water resources infrastructure that is in the best interests of water users and the environment. Economists within RAPID plays a crucial role in ensuring incentives to develop new water infrastructure remain aligned with customer and environmental objectives.

Role expectations

- Identify key economic issues, especially those that impact different work streams and may require common oversight.
- Develop robust economic frameworks, and identify and conduct relevant analysis.
- Continued self-development to help ensure that Ofwat stays at the forefront of economic thinking.
- Working with multidisciplinary teams including water resources specialists, environmental regulators, system engineers, lawyers, and policy specialists
- Engaging with companies and other stakeholders to develop and test new and innovative policies, particularly local authorities, enterprise partnerships, community groups, eNGOs, trade associations (eg NFU and EnergyUK), the UK and Welsh Governments.

Key deliverables

- Analyse barriers, gaps and opportunities to the development of multi-party, multi-sector water infrastructure schemes
- Develop policy recommendations to ensure the regulatory and commercial frameworks enable new infrastructure development that delivers environmental and public value. This will include recommendations for the 2024 Price Review.
- Develop incentive frameworks to encourage effective progress of the Strategic Regional Water Resources Schemes funded as part of the 2019 Price Review.
- Evaluate and assess the project submissions in the water resources gated process.

Professional requirements

	Essential	Desirable
Qualifications	<ul style="list-style-type: none"> Economics degree or a degree with significant economic content 	<ul style="list-style-type: none"> Master degree with a focus on micro economics
Experience	<ul style="list-style-type: none"> Applying economics in a regulator or competition authority; or Applying economics in a commercial setting, such as consultancy or a regulated company Working with multi-disciplinary teams to deliver projects in a complex stakeholder environment. 	<ul style="list-style-type: none"> Experience of applied econometrics in a competition or regulatory setting. Experience of public value or environmental benefits assessments Experience of partnership or cross-agency working. Experience of providing analysis or advice on infrastructure projects in the UK or other countries
Knowledge	<ul style="list-style-type: none"> Good written and oral communications skills, including the ability to concisely explain complex economic issues in intuitive non-technical language. Understanding of regulatory policy development processes 	<ul style="list-style-type: none"> Understanding of market design, particularly in the development of new markets in regulated sectors. Understanding the commercial and regulatory aspects of infrastructure development and delivery. Knowledge of infrastructure planning, water resource management or environmental economics

Terms and conditions of employment

Contract

These are permanent appointments.

Salary

The salary range for Senior Associate is Band 3 - £33,851 - £50,615 and the salary range for Principal is Band 4 - £50,616 - £77,422.

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.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

Please state clearly in your application which role/s at what band (Senior Associate or Principal) you are applying for, so we are able to assess your suitability according to the criteria required for each post.

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	Friday, 28 August @ 5:00PM
Sifting	From 3rd September
Interview date	From 10th September, exact dates TBC

	Interviews will consist of a written assessment as well as a short presentation and will be conducted via video conferencing.
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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.gsi.gov.uk and/or the Data Protection Officer by emailing FOI@ofwat.gsi.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.