

## Information for applicants Principal economist – Company Performance and Price Reviews, Ref: OFW– BC157

### Introduction from David Black, interim Chief Executive

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 wastewater 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.

**David Black**  
interim 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 ensure water companies deliver for 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.

We need to grow our team to help us deliver our strategy and make sure water companies are doing all they can to deliver for customers, the environment and wider society and deliver meaningful change to the sector. As part of this **[we are looking to recruit a Principal Economist to join the 2024 price review](#)**.

## 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. The successful candidate will join the 2024 price review team. 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.

This role is at Principal level. Principals are expected to be able to lead workstreams, which will involve key economic analysis and economic policy development. It may involve managing the work of others to deliver the project objectives.

## The 2024 price review

The Company Performance and Price Reviews Cluster is responsible for developing the approach to future price reviews including the next price review in 2024 (PR24), which will set water company revenues and outcome commitments for the 2025 to 2030 period. 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. It also includes examining how we can make greater use of markets and incentives to deliver better outcomes for customers and the environment. Importantly it covers what we want water companies to deliver for the next price control and assessing how best they should deliver this. This is a critical time in the development of PR24 as we create the methodology for the new price review.

At the start of summer we published '[PR24 and Beyond: Creating tomorrow, together](#),' which shares our ideas and ambitions for the 2024 price review. In this, we set out four ambitions for what PR24 can achieve for customers and the environment, and principles for how we'll approach and design the price review. Over the last month we have published several consultation documents which will help us develop our approach to PR24. These include our plans for [long term delivery strategies](#) and [outcome performance commitments](#) and approach to [assessing base costs](#).

**We would like to recruit a principal economist to work in PR24.** We currently have a role in cost assessment but also welcome broader candidates that would like to work elsewhere in the price review, for example on the outcomes and broader incentives regime or on the balance of risk and return.

The cost assessment team is key to the delivery of PR24. We are an enthusiastic mix of economists and technical water sector specialists that lead on the assessment of expenditure for the next price review. As outlined in '[PR24 and Beyond: Creating tomorrow, together](#)', we are currently exploring several interesting cost assessment questions, including:

- How can we **build on our cost modelling approach** at PR19?
- How can we better explore the **link between costs and outcomes** and reflect this in the trajectories for meeting long term ambitions?
- How can we **strengthen our approach to long term operational resilience**, in particular whether we can take account of forward-looking pressures on capital maintenance?
- How can we **improve our assessment of nature-based solutions**, so that they are appropriately incentivised through the cost assessment framework?
- How can we take into account of key emerging issues such as **net zero, public value and partnership working**?

- How can we take better account of **social and environmental benefits** and the long term in investment proposals?

## Role expectations

The role is at Principal level and will have responsibility for leading on key areas of economic analysis and policy development. The role will require a variety of expertise including:

- Knowledge of microeconomics and its application to economic regulation.
- Ability to produce high quality and robust numerical and policy analysis to tight timescales.
- Ability to identify economic issues and develop options in the context of policy development.
- Ability to manage and develop others.
- 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 approaches.

For the role in cost assessment the role will involve the developing and applying an approach for the assessment of specific categories of costs (including cost benchmarking) and the development of related cost efficiency incentives. It could also involve the development of markets and wider improvements to the regulatory framework.

Although we are actively seeking Principal level candidates, we will also consider good applications that will be appropriate for a Senior Associate role. A role at Senior Associate level would require a lower level of experience. A Senior Associate would be provided with more support in the role and while they would continue to have responsibility for individual areas of work, these would be smaller and less complex and/or technically challenging.

## Key deliverables

In the role in cost assessment you will be expected to:

- Lead the delivery of work in the cost assessment area of the price control, for example, associated with the assessment of enhancement expenditure.
- Undertake numerical and policy economic analysis, including leading on related areas of cost benchmarking and scheme appraisal.
- Develop improvements to our approach, including wider improvements to our regulatory approach and incentives

- Using excellent oral and written communication skills influence and persuade both technical and non-technical stakeholders.
- Critically evaluate and challenge analysis or product of a professional peer.
- Produce high-quality documents and contribute to external publications.
- Work closely with colleagues across Ofwat to align with other areas of work.

Candidates for other areas of the price review would expect a similar level of deliverables focused in alternative areas. All candidates would be expected to have a high level of numeracy.

## Professional requirements – Principal economist

	Essential	Desirable
<b>Qualifications</b>	<ul style="list-style-type: none"> <li>• Economics degree or a degree with significant economic content</li> </ul>	<ul style="list-style-type: none"> <li>• Master degree with a focus on economics, finance or highly numerical discipline</li> </ul>
<b>Experience and Knowledge</b>	<ul style="list-style-type: none"> <li>• Significant experience in applying economics in a regulator or competition authority; or</li> <li>• Significant experience in applying economics in a commercial setting, such as consultancy or a regulated company</li> <li>• Regulatory policy development</li> <li>• Working with multi-disciplinary teams to deliver projects in a complex stakeholder environment.</li> <li>• Good written and oral communications skills, including the ability to concisely explain complex economic issues in intuitive non-technical language.</li> </ul>	<ul style="list-style-type: none"> <li>• Impacts of incentives on company behaviour</li> <li>• Understanding of market design, particularly in the development of new markets in regulated sectors.</li> <li>• Cost benchmarking (including econometrics) and/or cost benefit appraisal (for the role in cost assessment)</li> <li>• Understanding of investment appraisal</li> </ul>
<b>Skills and behaviours</b>	<ul style="list-style-type: none"> <li>• Making Effective decisions</li> <li>• Managing a Quality Service</li> <li>• Seeing the Big Picture</li> </ul>	<ul style="list-style-type: none"> <li>• Working Together</li> <li>• Delivering at Pace</li> <li>• Leadership</li> <li>• Developing Self and Others</li> </ul>

## Terms and conditions of employment

### Contract

This is a permanent appointment.

### Salary

The salary range for Band 4 (Principal) is – £51,628 – £78,970, 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 in either Birmingham or London, with travel between offices and occasional other travel as required. However, the majority of employees are currently working from home in line with the government's advice, due to the Covid-19 pandemic.

### 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](mailto: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

Any move to Ofwat from another employer will mean you can no longer access childcare vouchers. This includes moves between government departments. You may however be

eligible for other government schemes, including Tax-Free Childcare. Determine your eligibility at <https://www.childcarechoices.gov.uk/>.

## 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](mailto: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

[Applicants should apply through the Civil Service Jobs website. You will be asked to create an account and complete an application form. If you are unable to make an electronic application, you may submit your application on paper. Please contact us to find out how at \[recruitment@ofwat.gov.uk\]\(mailto:recruitment@ofwat.gov.uk\)](#) 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](mailto: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	<del>10am Monday 17th January</del> <del>10:00am Friday 14 January</del> 2022
Sifting	Week commencing Monday 17 January 2022
Interview date(s)	Week commencing Monday 24 or 31 January 2022

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 expected that the interview process for this vacancy will include a short presentation. Further details will be provided to shortlisted candidates upon invitation to interview. It may be necessary for a second stage interview, which will be communicated to the successful candidates, if required.

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

## 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, Corporate Enablers (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](mailto:info@csc.gov.uk).