



Department
for Environment
Food & Rural Affairs



Appointment of Non-Executive Directors to the Board of Ofwat

Ref No.11/19

Briefing pack for applicants

Noon, Friday 21st February 2020



Contents

Chair’s message to candidates	2
Defra mission statement	3
About Ofwat	4
Role Expectations	9
Essential criteria.....	10
Time commitment and term of office.....	12
The appointment process	14
How to apply and submit your application.....	16
Ineligibility criteria.....	19
Conflicts of interest and due diligence	20
The Commissioner for Public Appointments	21
Data protection.....	22
Annex I – The seven principles of public life	23
Annex II – Conflicts of Interest	24
Annex III - Current membership of the Board.....	27

Introduction from Jonson Cox

Dear Candidate

Water is not a dry issue.

Water companies' work supports every aspect of modern life for everybody, every day. Safe and reliable water and wastewater services are essential for public health and wellbeing. As a society, we expect water companies to provide resilient, affordable services for everyone and to plan and invest effectively for the long term.



We need to look after our environment to ensure sustainable access to water so we and future generations can enjoy the nature around us. We look to water companies to sustain and improve the health of our rivers, lakes, coastal waters and ecosystems as they abstract and treat water and discharge treated waste back into the environment.

Ofwat regulates the water and wastewater industry in England and Wales. It has a unique and privileged responsibility – to hold water companies to account and improve their performance for consumers and the environment now and in the future. Ofwat also oversees the markets that exist in the water sector to make sure they are working for consumers.

Ofwat aims to be at the forefront of a regulatory system that protects the interests of current and future consumers, ensures water companies properly carry out their functions, and that efficient water companies can finance their business. Ofwat also needs to ensure there is long-term resilience, including through the sustainable management of natural resources. Both the UK and Welsh Governments ask Ofwat to encourage companies to seek solutions which deliver wider benefits to society and the environment as they carry out their business. Ofwat must also ensure that water remains affordable and the needs of vulnerable consumers are met.

Our executive and Non-Executive Director (NED) Board members bring a genuine passion to their role. We need, and benefit from, a diverse range of skills, experience and backgrounds within the Board as a whole. We look for Non-Executive Directors who will bring good challenge, support and judgement to the decisions the Board faces, and who will complement the strong teamwork on our Board.

Jonson Cox CBE
Chair, Ofwat Board

Defra mission statement

Defra wants Britain to be a great place to live. Our work plays a critical role in the wellbeing of everyone in the country through the creation of healthy environments, a world leading food and farming industry, a thriving rural economy and enhanced protection against floods and animal and plant diseases.

Appointing high-calibre people from diverse backgrounds with relevant skills, knowledge and experience to the Boards of our public bodies will help us to ensure that our work is more effective, resilient and accountable.

Equal Opportunities

UK government has a policy of equality of opportunity. We aim to promote equal opportunity policies whereby no one suffers unfair discrimination either directly or indirectly, or harassment, on grounds such as race, colour, ethnic or national origin, sex, gender identity, marital status, disability, sexual orientation, religious beliefs or age.

Diversity

We positively welcome applicants from all backgrounds. All public appointments are made on merit following a fair and open competition as regulated by the Office of the Commissioner for Public Appointments.

Disability

We guarantee to interview anyone with a disability whose application meets the minimum criteria for the post. By 'minimum criteria' we mean that you must provide us with evidence in your application which demonstrates that you generally meet the level of competence required for each criterion, as well as meeting any of the qualifications, skills or experience defined as essential. The Cabinet Office is committed to the employment and career development of disabled people. To show this we use the Disability Symbol awarded by Job Centre Plus.

About Ofwat

Background

The Water Services Regulation Authority (Ofwat) is the independent economic regulator of the water and wastewater sector in England and Wales. Ofwat's role is to:

- hold the water and wastewater industry to account and in doing so to protect the interests of consumers, including making sure markets work in the interests of consumers;
- ensure that efficient companies are able to finance the effective carrying out of their functions;
- promote the long-term resilience of water supply and wastewater systems; and
- contribute to a wide range of policy goals including sustainable development.

As an independent economic regulator, Ofwat is a non-ministerial government department that is accountable directly to Parliament. Within Whitehall Ofwat is sponsored by the Department for Environment, Food and Rural Affairs (Defra) and within Wales by the Welsh Government.

The Board's non-executive appointments are made by Defra's Secretary of State in consultation with the Welsh Government.

Established in 1989, Ofwat employs around 240 people based in Birmingham and London. Staff have a broad range of professional backgrounds including economists, accountants, lawyers, engineers, scientists and support service specialists.

Ofwat has been through a considerable change over the last seven years under a largely new Board and, since January 2018, a new Chief Executive, Rachel Fletcher. Ofwat has also delivered significant change in the sector it regulates. The Board has four executive directors including the Chief Executive, six Non-Executives (who collectively span a range of business leadership, consumer, public service, capital markets and economic backgrounds) and a Chair, Jonson Cox.

A key part of Ofwat's work involves the review of water companies' business plans and setting allowances and requirements for price and service delivery on a 5-yearly basis. The 2014 price review implemented a radically new approach with fast-tracking for exceptional plans, requirements for greater customer engagement, and a demanding focus on companies reaching new frontiers in operations and service to customers. For the recently concluded 2019 price review, which covers the period 2020-2025, Ofwat's focus was on four key themes.

Ofwat's 2019 price review themes



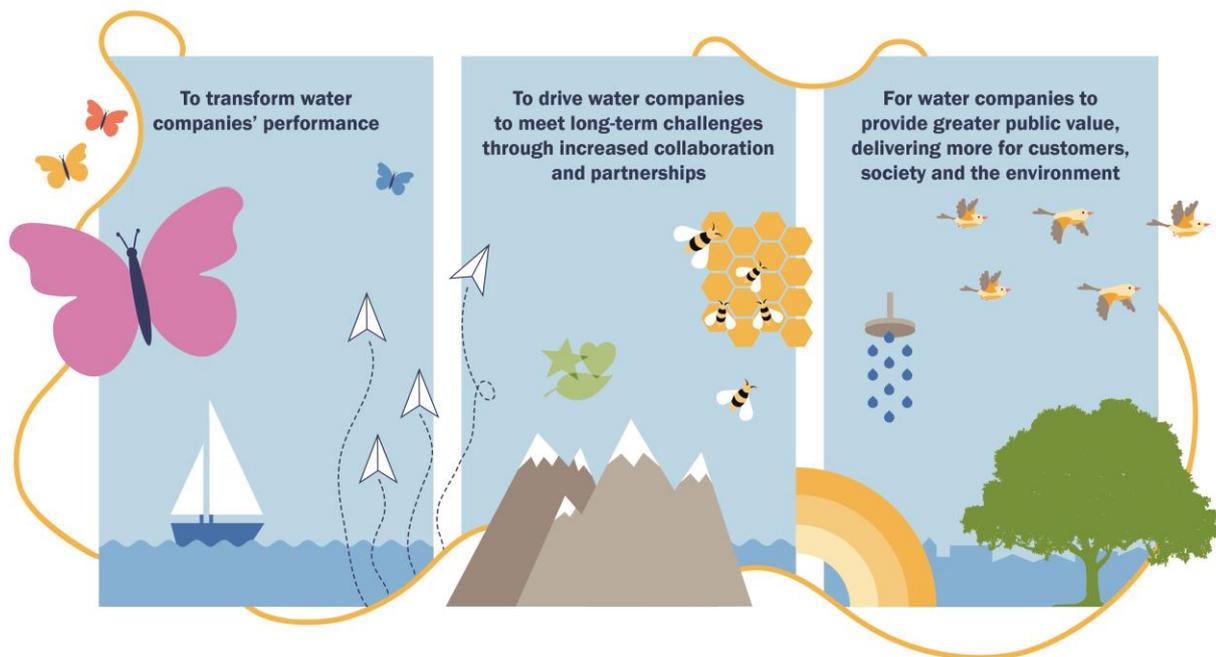
In terms of resilience, Ofwat holds companies to account for the resilience of their service to customers and of the assets that support this. By resilience, Ofwat means 'resilience in the round', i.e. that water companies have the right information, systems, processes, governance, capabilities and finances to make decisions about their operations, maintenance and investment in the short and long term. It is clear that there is more for some companies to do individually and collectively to minimise service interruptions, including in the face of climate change, and to provide support for customers – especially vulnerable customers – when problems arise.

In recent times, in addition to steering through the price review, the NEDs on Ofwat's Board have been pivotal in bringing a considerable breadth of experience to bear on the full range of the Board's activities:

- addressing failures in service delivery, for example through Ofwat's enforcement actions against Thames Water and Southern Water;
- challenging the sector's readiness to address issues associated with climate change, including the sector's response to the "Beast from the East" in late February 2018;
- monitoring the development of the business retail market for water and wastewater services which opened in April 2017;
- creating a cross-regulatory team called 'RAPID' (Regulators' Alliance for Progressing Infrastructure Development) with the Environment Agency and the Drinking Water Inspectorate to facilitate large-scale regional and national water resources infrastructure projects (there will be close liaison with the Welsh Government and Natural Resources Wales);
- updating its trail-blazing approach to Board leadership, transparency and governance by introducing a refreshed set of principles with revised objectives underpinned for the first time by licence commitments. These came into effect on 1 August 2019;
- standardising its approach to water company ring-fencing conditions; and
- maintaining oversight of the construction and delivery of the Thames Tideway Tunnel project.

Looking to the future, Ofwat has just refreshed its strategy by reference to the strategic priorities and objectives set by the Defra Secretary of State and Welsh Government, considering the tools it should use to address the challenges facing the sector and the kind of regulator it needs to be from 2020 onwards. It has been working with Governments, regulators, consumer bodies and the water companies to set a shared vision for the water sector.

Ofwat's strategic goals



The future agenda has very considerable commercial, environmental and consumer challenges in the form of a growing population, increasing demand on water resources, with per capita consumption one of the highest in Europe, and pressures on the natural environment. Customers have increasingly sophisticated expectations and the sector itself continues to face a substantial challenge to its legitimacy. Against this backdrop the sector needs to deliver sustainable services now and in the long term. Economic regulation must play its part in enabling that delivery. To tackle these challenges, Ofwat continues to reflect on how it needs to position itself as a regulator capable of playing its part to maintain trust and confidence in the water sector.

In addition to the requirement to act in accordance with the strategic priorities and objectives referred to above, Ofwat also works within the broader policy context set by the UK and Welsh Governments. These policies and Government-commissioned and ongoing reviews are relevant to Ofwat's new strategy. Alongside the information provided below, Ofwat's strategy considers how its regulation can contribute to the achievement of the Welsh Government's broader policies and strategies relating to the sector, such as those reflected in the Well-being of Future Generations (Wales) Act and the Environment Act (Wales).

For further information, please visit the following links:

- [Water Industry Act 1991](#)
- [The Water Act 2014](#):
- [Time to act, together: Ofwat's strategy](#)
- [Ofwat's Annual Report and Accounts](#):
- [Ofwat's website](#)
- [Defra website](#)
- [Welsh Government website](#)

The following reports may also be useful.

- The UK Government's '[25 Year Environment Plan](#)';
- The Welsh Government's '[Water Strategy for Wales](#)';
- The Welsh Government's 'Prosperity for All strategy for sustainable growth';
<https://gov.wales/sites/default/files/publications/2017-10/prosperity-for-all-the-national-strategy.pdf>
- HM Treasury and BEIS consultation '[Encouraging innovation in regulated utilities](#)';
- The National Infrastructure Commission's (NIC) '[National Infrastructure Assessment](#)'
- The NIC's report, '[Strategic Investment and Public Confidence](#)';
- The NAO's report on '[Regulating to Protect Consumers](#)';
- The Public Accounts Committee's report on '[Consumer Protection](#)';
- The EFRA Committee's report on '[Regulation of the Water Industry](#)';
- The UK Government's '[Industrial Strategy](#)';
- The '[Modernising Consumer Markets](#)' Green Paper.

Ofwat's values

Ofwat's work is underpinned by its six 'SAILOR' values shown below. Much time is spent as new colleagues join across the whole organisation to help with induction into Ofwat ways of working. Board members are able to interact with a wide range of Ofwat colleagues, and many new entrants into the Ofwat team have commented on the level of opportunity they have to interact with the Board.

We are **Ofwat**

We aspire to act in line with our values in everything we do

S	A	I	L	O	R
Support	Ambition	Integrity	Learning	Ownership	Respect
We work collaboratively, we stand by each other and are committed to each other's wellbeing	We aim high in the best interests of customers, the environment and society	We act and speak honestly, and have the confidence to challenge and be challenged. We have difficult conversations when needed and we will do what we say we will	We love to learn about new ideas and different ways of doing things and we help each other to develop and grow	We each take responsibility for our own actions and care about our impact on others	We value people for who they are, and the ideas and perspectives they bring
					

Role expectations

Ofwat is led by a Board of directors which includes the Chair, up to six Non-Executive Directors and four Executive Directors, including the Chief Executive.

Details of Ofwat Board members are available on the Ofwat website at Annex III and below:

- <https://www.ofwat.gov.uk/about-us/who-we-are/>
- http://www.ofwat.gov.uk/aboutofwat/structure/organisation/prs_web130705biographies

The Board is very conscious of the need to make meetings effective when the agenda can be broad and the responsibilities significant. With the help of clear executive propositions, the ten Board meetings a year run to an efficient timetable that get the best contribution from Board members, focussing on issues of strategic significance. Recent internal and external Board evaluations rated the Board as very effective and confirmed that members enjoy being a member of the Ofwat Board. We wish to continue to build on the existing strong base of diverse skills and contribution, enthusiasm and commitment.

Alongside their Board colleagues, the general role of Board members is to:

- Contribute to the development of Ofwat's long term strategy and its strategy across a wide range of regulatory and market issues;
- Contribute to Board effectiveness at Ofwat;
- Ensure Ofwat secures effective governance of itself and the sector it regulates;
- Contribute experience from sectors other than the water and wastewater sector;
- Provide a constructive source of challenge to the Executive;
- Join one of Ofwat's Audit, People and/or policy sub-committees as appropriate;
- Be energetic, enthusiastic and motivated by the opportunity to develop and implement Ofwat's future strategies.

Ofwat is seeking two to three Non-Executive Directors to join the Board to succeed long-standing colleagues who are stepping down at the end of their terms. Ofwat is particularly looking for Non-Executive Directors who will bring strong and relevant experience in one of the following areas: championing the interests of consumers, the leadership of significant asset-based businesses and the leadership of business transformation and culture change.

Further information on the essential criteria is provided on page 10.

Essential Criteria

Candidates must be able to demonstrate all of the following essential criteria:

Ofwat seeks individuals with the integrity, skills and judgement necessary to help regulate this vital sector. We welcome applications from either first-time or experienced Non-Executive Directors.

- Candidates should have a strong profile and reputation in their chosen field, a commitment to be a member of an effective Board, and the capacity to be an engaged and available Board member both at Board meetings and between them;
- They will have good interpersonal skills, with an ability to engage effectively with Board and executive colleagues, contribute to debate and challenge constructively;
- Individuals should be able to process complex data and have an ability to take a strategic view. They will help the Board establish high-level principles and, as a member of a small Board regulating a large sector, have the courage of their convictions;
- The Board as a whole needs to be capable of making difficult decisions and defending those decisions under pressure: we are looking for candidates who are practical, decisive and who use their business and professional acumen to understand the impact of their decisions.

Ofwat aims to maintain a Board with a broad range of skills and experience that encompasses business leadership, infrastructure management, large scale commercial negotiation, competition and economic regulation, understanding of consumer protection, understanding of environmental policy considerations, and corporate finance.

For this recruitment exercise, we are seeking Non-Executive Directors who have experience in one or more of the following areas:

- Championing the interests of consumers including on issues such as affordability, service, vulnerability, social needs and understanding the consumer voice;
- Senior executive experience of running a business or another large, complex organisation in a challenging external environment: for example, with experience of developing and sustaining organisational effectiveness and culture change; of material challenge and transformation and/or of a heavily asset based/infrastructure business; an understanding of the role of competitive markets;
- A sound understanding of the Welsh policy landscape and economic, social, and environmental circumstances in Wales;

In all candidates we seek the ability and experience necessary to hold the sector to account, including the following skills:

- Excellent analytical and intellectual capability, with the ability to analyse and rapidly assimilate complex information/ policy proposals;
- Evidence of innovative strategic thinking and a track record that demonstrates a willingness to stand by the courage of their convictions;
- Ability to reach sound strategic judgements, where stakeholders have conflicting interests, and be able to argue coherently for the views reached, using both analysis and sound intuitive judgement.

The Board requires a broad range of experience from its Non-Executive Directors and it is not necessary (or indeed desirable) for all members to have specialist experience in all areas.

The successful candidate must abide by the Nolan principles of public service (attached at [Annex A](#)) and the [Code of Conduct for Board members of Public Bodies](#).

Time commitment and term of office

The period of a public appointment can vary but is usually between two and five years.

The Board normally meets ten times a year in London or Birmingham with more meetings in the final 12 months of the five yearly price review. We aim to hold one Board meeting a year in Wales.

Non-Executive Directors are expected to chair or join at least one Board committee. Ofwat may seek to appoint a new Chair of their People Committee through this process, for which they would expect the appointed person to have a background in business transformation or in a senior leadership role where they have had responsibility for organisational effectiveness.

In accordance with the Code of Practice for Ministerial Appointment to Public Bodies, Ministers may reappoint or extend the terms of public appointees. However, any reappointment will be subject to a good performance assessment by the Chair of the Board and will be at the discretion of Ministers.

The appointee may resign by giving three months' notice in writing to the Secretary of State. The Secretary of State may terminate the appointment under certain conditions, which will be notified to the successful candidate on appointment.

Remuneration and expenses

The remuneration of Non-Executive Directors is £19,190. Expenses are payable for expenditure reasonably and necessarily incurred on behalf of Ofwat and in accordance with Ofwat's travel and expenses policy from time to time.

The time commitment is comparable to that of a significant business or institutional Non-Executive role: the Board values high quality contributions but Ofwat also aims to avoid there being an excessive burden on its Non-Executives.

Appointment Process

The Appointments Panel will comprise:

- Jonson Cox (Chair)
- Sally Randall (Defra)
- Eifiona Williams (Welsh Government)
- Roger Witcomb (former Inquiry Chair, Competition and Markets Authority)

Applications will be sifted after the closing date. At the longlist meeting a number of candidates will be selected for first round interviews with Odgers Berndtson (the search agency). Those who are unsuccessful at this stage will be notified in writing.

A shortlist meeting will then be held where a list of candidates will be selected for interview in March/April 2020. The interviews will be held in London. Following interview, all candidates that are deemed to be appointable will be required to meet the Parliamentary Under Secretary of State before a final decision on appointment is made.

Subject to the required approvals, the successful candidate will be expected to take up the post formally from May 2020.

These dates are accurate at the time of writing but are subject to change, and the clearance process for these appointments can take longer than anticipated.

Conduct and Probity

We must ensure that any individual appointed is committed to the principles and values of public service. The Seven Principles of Public Life are: Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership and are set out in the Code of Conduct for Board Members of Public Bodies most recently updated in July 2019 ([here](#)).

Successful candidates will be required to adhere to the Ofwat's Board Rules of Procedure ([here](#)):

Applicants must disclose on the Political Activity Form information on personal connections which, if they were appointed, could lead to a conflict of interest or be perceived as such.

If it appears, from the information provided on the form, that a possible conflict might exist, or arise in the future, this will be fully explored with the applicant with a view to establishing whether it is sufficiently significant to prevent the individual from carrying out the duties of the post. The panel will do this at interview stage. Annex II provides information on conflicts to help applicants evaluate whether or not they have a potential conflict.

Interview expenses

Candidates who are required to travel a significant distance to attend an interview will be reimbursed standard-class rail fare from their point of entry into the UK.

How to apply and submit your application

The recruitment process is being undertaken by Odgers Berndtson on behalf of Ofwat and Defra. If you wish to apply for this position, please supply the following:

- A comprehensive CV setting out your career history, with responsibilities and achievements.
- A covering letter (maximum two sides) highlighting your suitability and setting out how you meet the person specification. Please address the essential criteria and the required areas of expertise. The covering letter is an important part of your application and is as much the means by which you will be assessed as your CV.
- Diversity Monitoring Form – All candidates are also requested to complete a Diversity Monitoring Form on submitting an application. Your Diversity Monitoring Form will be stored separately from your application and will play no part in the selection process. Once you have submitted your application, you will be sent an automatically generated email asking you to complete the Diversity Monitoring Form.
- Conflicts of Interest, Conduct and Political Activity Form – All candidates must complete a Conflicts of Interest, Conduct and Political Activity Form. This can be found by visiting www.odgers.com/73135. Please download the form and return to anne.neill@odgersberndtson.com

The preferred method of application is online at www.odgers.com/73135

If you are unable to apply online please email your application to:

73135@odgersberndtson.com

Any postal applications should be sent to:

Government Practice
73135
Odgers Berndtson
20 Cannon Street
London EC4M 6XD

All applications will receive a response.

Contact

If you would like an informal conversation about this role, please contact Odgers Berndtson: Laura Spurgin on +44 20 7529 1072 or Simon McDonald on +44 20 7529 6359.

If a person with disabilities is put at a substantial disadvantage compared to a non-disabled person, we have a duty to make reasonable changes to our processes where possible. If you need a change to be made so that you can make your application, please contact Odgers Berndtson.

Recruitment Timetable

The following dates are indicative and may change. Candidates will be advised of the dates as they are confirmed.

Closing date for receipt of applications	Noon, Friday 21 st February 2020
Longlist meeting (candidates are not required to attend)	w/c 24 th February 2020
Preliminary interviews with Odgers Berndtson	w/c 2 nd March 2020 and w/c 9 th March 2020
Shortlist meeting (candidates are not required to attend)	w/c 16 th March 2020
Final panel interviews	w/c 20 th April 2020 and w/c 27 th April 2020

Ineligibility criteria

You cannot be considered for a public appointment if:

- You become bankrupt or make an arrangement with creditors;
- Your estate has been sequestrated in Scotland or you enter into a debt arrangement programme under Part 1 of the Debt Arrangement and Attachment (Scotland) Act 2002 (asp 17) as the debtor or have, under Scots law, granted a trust deed for creditors;
- You are disqualified from acting as a company director under the Company Directors Disqualification Act 1986;
- You have been convicted of a criminal offence, the conviction not being spent for the purposes of the Rehabilitation of Offenders Act 1974 (c. 53);
- You become subject to a debt relief order or a bankruptcy restrictions order; or
- You fail to declare any conflict of interest.

Please note that the Ofwat Board Rules of Procedure set out details of Prohibited Interests and any candidate holding such interests should note them on the conflicts of interest form.

Conflicts of interest and due diligence

If you have any interests that might be relevant to the work of Ofwat and which could lead to a real or perceived conflict of interest if you were to be appointed, please provide details in your application. If you have queries about this and would like to discuss further please contact Odgers Berndtson in the first instance.

Given the nature of public appointments, it is important that those appointed as members of public bodies maintain the confidence of Parliament and the public. If there are any issues in your personal or professional history that could, if you were appointed, be misconstrued, cause embarrassment, or cause public confidence in the appointment to be jeopardised, it is important that these are brought to the attention of the Advisory Assessment Panel and that you provide details of the issue(s) in your application. In considering whether you wish to declare any issues, you should also reflect on any public statements you have made, including through social media.

As part of our due diligence checks we will consider anything in the public domain related to your conduct or professional capacity. This will include us undertaking searches of previous public statements and social media, blogs or any other publically available information. This information may be made available to the Advisory Assessment Panel and they may wish to explore issues with you should you be invited to interview. The information may also be shared with Ministers and the Cabinet Office.

The Commissioner for Public Appointments

This appointment is regulated by the Commissioner for Public Appointments to ensure that it is made on merit after fair and open competition. More information about the role of the Commissioner and the Governance Code on Public Appointments can be seen at:

<http://publicappointmentscommissioner.independent.gov.uk/>

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/578498/governance_code_on_public_appointments_16_12_2016.pdf

For full details of the complaints process for public appointments, please click on the following link which will take you to the Commissioner for Public Appointments website;

<https://publicappointmentscommissioner.independent.gov.uk/regulating-appointments/complaints-and-investigations>

Data protection

Defra is committed to protecting the privacy and security of your personal information and does so in accordance with data protection law including the General Data Protection Regulation (GDPR). All the information you provide will be used to proceed with the public appointment listed in this information pack and in the case of diversity monitoring information may be anonymised and used solely for monitoring purposes. For more information about the way we collect and hold your information, please read our Privacy Notice, accessible through the Cabinet Office website (<https://publicappointments.cabinetoffice.gov.uk>) or by requesting a copy from publicappts@defra.gov.uk.

Annex I: The Seven Principles of Public Life

Selflessness

Holders of public office should act solely in terms of the public interest.

Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty

Holders of public office should be truthful.

Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Annex II Conflicts of interest

What is a conflict of interest?

Public appointments require the highest standards of propriety, involving impartiality, integrity and objectivity, in relation to the stewardship of public funds and the oversight and management of all related activities. This means that any private, voluntary, charitable or political interest, whether financial in nature or not, which might be material and relevant to the work of the body concerned should be declared. There is always the possibility for real or perceived conflicts of interest to arise. Both are a problem, as the perception of a conflict may, on occasions, be as damaging as the existence of a real conflict. It is important, therefore, that you consider your circumstances when applying for a public appointment and identify any potential conflicts of interest, whether real or perceived. If in doubt as to whether a matter should be declared, you should declare it.

A member of the Ofwat Board may not hold, either directly or indirectly, any equity or other financial interest in, and any employment, consultancy, directorship or other remunerative agreement with, any water companies or their affiliates, or any prospective water company and their affiliates, or any actual or prospective holder of any licence issued or that may be issued by Ofwat, or any affiliate of such companies. The prohibition in relation to equity and other financial interests extends to a Board Member's spouse, partner and dependent children (see [Ofwat Board Rules of Procedure](#)).

Surely a perceived conflict is not a problem, as long as I act impartially at all times?

The integrity of the individual is not in question here. However, it is necessary for the standing of the individual and the Board that members of the public have confidence in their independence and impartiality. Even a perceived conflict of interest on the part of a Board member can be extremely damaging to Ofwat's reputation and it is therefore essential that these are declared and explored, in the same way as an actual conflict would be. The fact that a member acted impartially may be no defence against accusations of potential bias.

What should I do if I think I have a conflict of interest?

You should consider and declare whether or not you have a real, or perceived, conflict. If you are unsure if your circumstances constitute a possible conflict, you should still include relevant information in the Conflicts of Interest Form in order to give the Advisory Assessment Panel as much information as possible.

If I declare a conflict, does this mean I will not be considered for appointment?

No - each case is considered individually. If you are shortlisted for interview, the Panel will explore with you how far the conflict might affect your ability to contribute effectively and impartially on the Board and how this might be handled, if you were to be appointed. For example, it may be possible to arrange for you to step out of meetings where an issue is discussed, in which you have an interest. However, if, following the discussion with you, the Panel believes that the conflict is too great and would call into question the probity of the Board or the appointment, they can withdraw your application from the selection process.

What happens if I do not declare a known conflict, which is then discovered by Ofwat after my appointment?

Again, each case would be considered on its merits, but Defra may take the view that by concealing a conflict of interest, you would be deemed to have breached the Code of Conduct for Board Members of Public Bodies (see [here](#)) and may terminate your appointment.

What happens if I do not realise a potential conflict exists?

This situation may arise where the applicant is not familiar with the broad range of work which Ofwat covers and therefore does not realise that a conflict might exist. In some cases, the Panel, with their wider knowledge of Ofwat, might deduce that there is a potential conflict issue, based on the information on employment and experience provided by the candidate in their application. They will then explore this at interview with the candidate.

What happens if a conflict of interest arises after an appointment is made?

This could arise for two main reasons. The first is that the member's circumstances may change, for example, they may change jobs and in doing so, a conflict with their work on the Board becomes apparent. The second is where a member is unfamiliar with the range of the work of the body, but after appointment, it becomes clear that a conflict exists where none had been envisaged during the appointment process. In both cases, the issue should be discussed with the Chair and the Chief Executive, to decide whether or not the member can continue to carry out their role in an appropriate manner and each case is considered individually. It may be that the conflict is such that it would be impractical for the member to continue on the Board, if they would have to withdraw from a considerable amount of the Board's routine business. In such cases, the member may be asked to stand down from the Board.

Areas where a conflict could arise

There are five main areas which could lead to real, or apparent, conflicts of interest. These are:

- Relevant pecuniary or other interests outside the organisation;
- Relationships with other parties/organisations which could lead to perceived or real split loyalties, for example, an equity or financial interest in a water company;
Knowledge of pending Government Policy could give unfair personal advantage to people with allied business interests – for example, access to privileged information;
- Perception of rewards for past contributions or favours; or
- Membership of some societies or organisations.

Annex III – Current membership of the Board



Jonson Cox

Chairman



Rachel Fletcher

Chief Executive



Mark Bayley

Non-executive Director



Christine Farnish

Non-executive Director



Martin Lawrence

Non-executive Director



Alison Munro

Non-executive Director



Catherine Waddams

Non-executive Director



Tim Waggott

Non-executive Director



Aileen Armstrong

Senior Director of Finance and Governance



David Black

Senior Director of Water 2020



John Russell

Senior Director of Strategy and Planning