



Department
for Environment
Food & Rural Affairs

Ofwat

Appointment of Chair to the Board of Ofwat

Ref No. APPT02-21

Briefing pack for applicants

Closing Date 12 noon on Wednesday 10th November



Contents

Ministerial message to candidates	2
Defra mission statement	3
About Ofwat	4
Background	4
The Board	6
Role specification	7
Essential criteria	8
Terms of appointment	9
The recruitment process	10
How to apply and submit your application	11
Ineligibility criteria	12
Conflicts of interest and due diligence	13
The Commissioner for Public Appointments	14
Data protection	14
Annex A – The seven principles of public life	15
Annex B – 12 Principles of Governance for all Public Body NEDs	16
Annex C – Current membership of the Board	17

Ministerial message to candidates

Dear Candidate

I am looking for an outstanding individual to appoint as the new Chair for the Water Services Regulation Authority (Ofwat).

Ofwat is the independent economic regulator for the water and wastewater industry in England and Wales. It has a unique and privileged responsibility – to hold water companies to account and enable and incentivise them to 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.

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 customers and businesses and to plan and invest effectively for the long term.

The water sector is facing significant challenges. The sector needs to provide a fair and good value service to customers as the country emerges from the pandemic, deliver real improvements to the water environment, and play its part in tackling climate change. The [Strategic Policy Statement](#) (SPS) to Ofwat sets out government's expectations and long-term strategic priorities for the water industry to deliver positive outcomes for customers, the environment and wider society. Ofwat's role is to use its regulatory tools so that the water industry can deliver these long-term strategic priorities efficiently and in a way that meets customers' expectations. The latest SPS is currently published by Defra in draft for consultation. The consultation closes on 27 September, it will then be laid in Parliament and published as final in the new year.

Covid-19 has made the past 18 months challenging for businesses and individuals across the country. The sector has continued to provide the essential public services and has come forward to play a part in the country's green recovery.

Ofwat's Executive and Non-Executive Director Board members bring a genuine passion to their role. The Board benefits from a diverse range of skills, experience and backgrounds. We are looking for a Chair who will bring excellent leadership, challenge, support and judgement to the decisions the Board faces, and who will further develop the strong teamwork on the Ofwat Board.

The Rt Hon George Eustice MP
Secretary of State, Defra



Defra mission statement

The Defra group is here to make our air purer, our water cleaner, our land greener, and our food more sustainable. Our mission is to restore and enhance the environment for future generations, and to leave the environment in a better state.

This matters because enhancing nature and green spaces enhances lives and livelihoods, contributing to a strong economy. Our wellbeing, our physical and mental health, our love of place and landscape, and our intrinsic need for beauty, awe and wonder, are all intimately bound up with a thriving natural environment.

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. 'Minimum criteria' means you must provide sufficient evidence in your application, demonstrating that you meet the minimum level of competence required for each essential criterion, as well as meeting any of the qualifications, skills or experience required. The Cabinet Office and Defra is committed to the employment and career development of disabled people. To show this we proudly display the Disability Confident Leader logo. Ofwat is also a signatory to the Disability Confident scheme. More information about Disability Confident Leaders is available by clicking the logo above. If a person with disabilities is put at a substantial disadvantage compared to a nondisabled 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 refer to the ['How to apply and submit your application'](#) section below.

Ofwat also commits to doing what it can to make reasonable adjustments required by any successful candidate with a disability.

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 holds the water and wastewater industry to account and its role is 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.

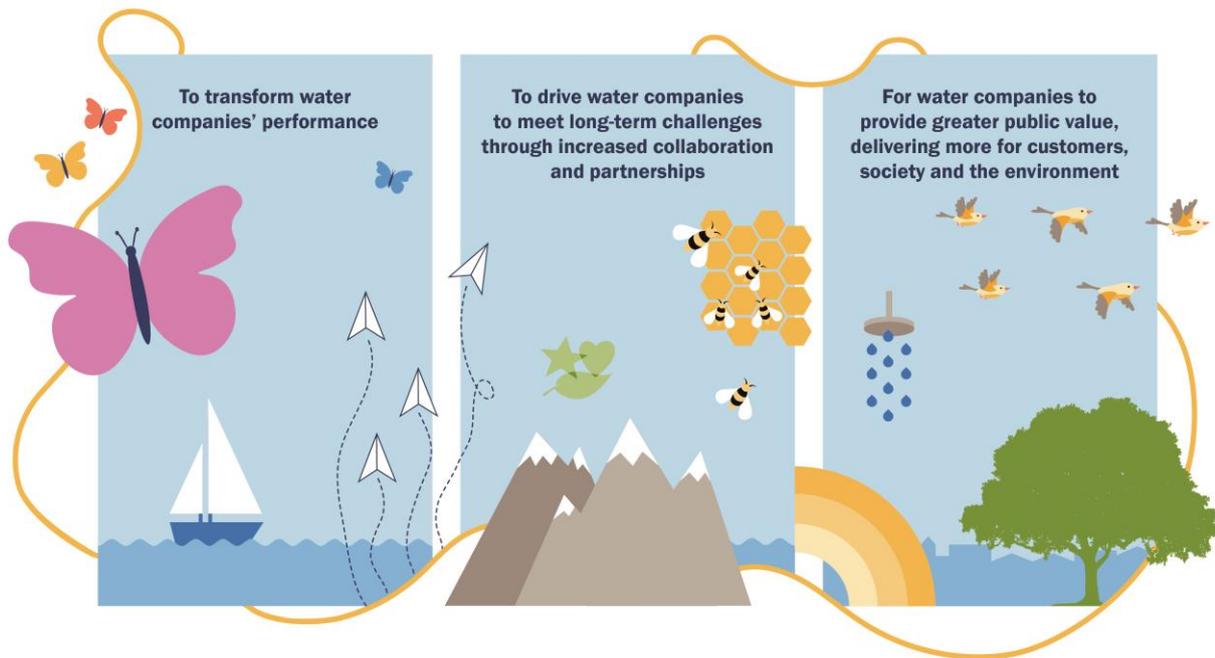
Ofwat is a non-ministerial government department that is accountable directly to Parliament and is independent of both Governments and those it regulates. Within Whitehall Ofwat is sponsored by the Department for Environment, Food and Rural Affairs (Defra) and within Wales by the Welsh Government.

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 250 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 refreshed its strategy in 2019 by reference to the challenges the industry faces, its statutory duties, and 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.

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 incentivising that delivery and taking action where companies fall short. 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 deliver its statutory functions and 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 and these policies and Government-commissioned and ongoing reviews are relevant to Ofwat's 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:](#)
- [Welsh Government website](#)

The Board

Ofwat is led by a Board of directors which includes the Chair, generally 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 and at Annex C 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.

The responsibilities of the Ofwat Board include:

- the discharge of Ofwat's functions and duties under the Water Industry Act 1991 ("WIA91") and any other relevant legislation;
- working with the Board and Executive, take the lead for ensuring the development of Ofwat's overall strategic direction in the context of a robust policy and resourcing framework;
- ensuring that the highest standards of corporate governance are observed at all times;
- ensuring that effective arrangements are in place to provide assurance on risk management, governance and internal control;
- ensuring that Ofwat operates within the limits of its statutory authority and that a robust framework of delegation is in place;
- generally overseeing the discharge by the Executive of Ofwat's day to day business;
- take personal responsibility for driving Ofwat's culture to ensure integrity and openness, visible gender and ethnic diversity, support Ofwat's strategy, and is responsive to the views of its broad and diverse stakeholder community.

Role specification

The Chair will be expected to:

- Act as an ambassador for Ofwat with respect to its various stakeholders, including water companies and investors, customer and environmental groups, complementing and not duplicating the role of the Chief Executive and executive team;
- Ensure Ofwat is fully equipped to address the complex stakeholder environment and inter-related systems within which it sits, including to manage alignment of investor and consumer interests, and of national and regional/local perspectives;
- Ensure Board members proactively engage in succession planning and the identification of potential candidates for future senior leadership and Board appointments, considering gaps in skills and experience;
- Ensure open, inclusive and effective discussion and decision-making, including by ensuring executive and non-executive voices are effectively heard and balanced and providing effective support, challenge and mentorship;
- Lead an effective Board and support the Chief Executive in delivering Ofwat's strategy and effectively discharging its statutory responsibilities, taking account of the strategic priorities of the UK and Welsh governments;
- Represent Ofwat and act as the primary contact for the Board with the Secretary of State and Welsh Ministers, raising issues as appropriate and ensuring that other Board members are kept aware of such communications, and be responsible to UK and Welsh Ministers for the achievement of objectives covering the overall leadership, direction and effectiveness of Ofwat;
- Lead the Board in a manner which demands and delivers transformational performance, representing consumers and the communities the sector serves.
- Uphold Ofwat's strong reputation as an impartial, independent and evidence-based regulator, exercising sound judgement.

The successful candidate must abide by the Nolan principles of public service and the 12 Principles of Governance for all Public Body NEDs, the latter as reflected more specifically in the case of Ofwat in the Framework Document agreed with Defra and taking account of Ofwat's role and responsibilities (attached at [Annex A](#) and [Annex B](#)) and the [Code of Conduct for Board members](#).

Essential criteria

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

- A strategic and creative thinker with an ability to lead a knowledgeable board and executive, bring constructive challenge and create consensus to deliver practical and impartial solutions to a range of complex issues;
- Understand the principles of economic regulation and competition between privatised utilities, and a clear understanding of the challenges and opportunities faced by regulators;
- Significant business acumen with an understanding of the financial and corporate world in which in which privatised utilities operate and the judgement and strength of character to be able to hold companies to account;
- The ability to represent Ofwat at all levels and to engage and influence a wide range of senior stakeholders within the industry, Whitehall and Wales;
- An awareness and understanding of the issues impacting on customers, particularly those that are vulnerable, coupled with a clear grasp of the environmental issues, including in relation to decarbonisation and climate impacts, in ensuring a safe, affordable and resilient water supply now and for future generations.

Terms of appointment

The remuneration for the role is £120,000pa for a time commitment of three days a week. 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 appointment is expected to be for three or four years. In accordance with the Ministerial Governance Code on Public Appointments, Ministers may extend the terms of public appointees for a second or third term. However, any reappointment will be subject to a good performance assessment by Ministers and will be at the discretion of the Secretary of State.

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.

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. Ofwat aims to hold one Board meeting a year in Wales.

The recruitment process

The closing date for applications is noon on Wednesday 10th November. We expect to have shortlisted by 26 November with panel interviews w/c 10th January 2022.

It is essential that your statement of suitability gives full but concise information relevant to the appointment, clearly demonstrating how you meet each of the [essential criteria](#).

The Advisory Assessment Panel will comprise:

- David Hill (Defra Director General Environment Rural and Marine) as Panel Chair
- Delroy Beverley (British Library Trustee) as the Senior Independent Panel Member
- Gian Marco Currado (Welsh Government, Director for Marine and Environment)
- Christine Farnish (former Ofwat Board member)
- Phil Duffy (HM Treasury, Director General for Growth).

At the shortlist meeting the Panel will assess each application against the essential criteria in order to decide who to invite for interview.

Interviews are expected to take place at Ofwat's London Headquarters in Bloomsbury Square and will last for approximately 60 minutes. Further details about the exact location and format will be provided to you in advance. It may prove necessary for interviews to be conducted via videoconference due to restrictions imposed by Covid-19. The Public Appointments Team will discuss arrangements with candidates as necessary.

Shortlisted candidates will be expected to have a short discussion with the Chair of the Panel, David Hill ahead of the interviews to discuss the role, the finer details of the appointment and your motivations for applying.

These are Ministerial appointments and all candidates deemed appointable by the Panel may meet with the Secretary of State before a final decision is made.

Candidates should be aware that the preferred candidate for the post of Chair will be required to appear before the Environment, Food and Rural Affairs Select Committee prior to appointment. Guidance on pre-appointment scrutiny hearings can be found [here](#). ...

You will be able to claim reasonable travel expenses incurred travelling to and from the interview (please note you may be asked to justify travelling costs if Defra considers the claims excessive). Please let Defra know beforehand if you are likely to claim, along with the approximate costs by contacting publicappts@defra.gov.uk and by quoting reference number: **APPT02-21**.

How to apply and submit your application

To apply, please send:

- a CV of no more than two sides of A4;
- a supporting statement of up to 1,000 words (not more than two sides of A4), setting out how you meet the [essential criteria](#) – make sure you refer to the contents of this document and provide specific examples;
- e-mail addresses and telephone numbers for two referees;
- completed diversity and political activity monitoring form;
- completed conflicts of interest, conduct and advertising monitoring form (please note the section on [conflicts of interest and due diligence](#) below).

If you have any questions about the appointments process please contact Public Appointments Team at publicappts@defra.gov.uk

For an informal discussion about the role please contact Jenny Block, Ofwat Board Secretary, on: 07734 981343 : or e-mail: jenny.block@ofwat.gov.uk or Georgina Collins at Defra on: 07500854277 or e-mail Georgina.Collins@defra.gov.uk.

Completed applications should be emailed to publicappts@defra.gov.uk – please quote reference APPT02-21.

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;
- you fail to declare any conflict of interest.

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 the [Public Appointments Team](#) or Jenny Block at Ofwat (see above). Please also see Ofwat's [Board Rules of Procedure](#) which sets out further information on the kinds of interests particularly likely to give rise to a conflict, and therefore prohibited, in Appendix A, section 4. Any such interests should be noted in your application.

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 you bring them to the attention of the Advisory Assessment Panel and 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 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/complaints/>

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 UK General Data Protection Regulation (UK 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 the Privacy Notice accessible through the Cabinet Office's Public Appointments Website (<https://publicappointments.cabinetoffice.gov.uk>) or request a copy of Defra's Public Appointments Privacy Notice from publicappts@defra.gov.uk.

Annex A – 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 B – 12 Principles of Governance for all Public Body NEDs

1. Expertise

- Consider and act in the best interests of your organisation and its objectives; delivering the outcomes expected by your sponsor department, ministers and ultimately the public through SPSs, and statutory directions and guidance.
- Consider the broader mission and duties of your sponsoring Secretary of State, his or her Department and the Government.
- Ensure compliance with statutory duties and the operational framework set out in the organisation's Framework Document and act within its powers.
- Exercise reasonable care, skill and diligence in the exercise of their authority and judgement.

2. Scrutiny and challenge

- Maintain independence from the executive to allow scrutiny of management and in meetings agree goals and objectives, and monitor performance and the reporting of performance so that the public who use your organisation receive a high quality service.
- Satisfy yourself on the integrity of budget setting to deliver objectives and financial information and reporting against budgets, and that financial controls and systems of risk management are robust and defensible. Meet the requirements of [Managing Public Money](#), including supporting the Accounting Officer in fulfilling their duties to provide propriety and value for money in the use of public funds.
- Champion high standards of risk management by ensuring your organisation has effective risk reporting, controls and governance, risk expertise and risk tolerances to effectively manage risk.
- Represent your organisation to the department and to Ministers, as well as ensuring Ministers' views are considered by the executive team of the organisation, as appropriate.

3. Support

- Support the board in succession planning and be prepared to put yourself up for re-appointment, as well as promoting the need for a diverse board.
- Participate in and promote regular reviews of your organisation, as well as the board's own effectiveness, with particular focus on the organisation's purposes and its efficiency in meeting these purposes. Engage in the appraisal process, including self-reflection on your own abilities.
- Listen carefully to, ask appropriate questions of and support management to encourage discussion in a manner that promotes a culture where all perspectives are listened to, while fulfilling the individual Director's duties and responsibilities and respecting and valuing the expertise of the executive team.
- Promote the success of the entity having regard to the interests of all members and stakeholders, and all risks.

Annex C – Current membership of the Board



**Jonson Cox, Chair
(Nov 2012)**



**David Black, Interim Chief
Executive (April 2021),
Executive Director (May 2017)**



**Mark Bayley, Non-executive
Director (April 2016)**



**Nicola Bruce, Non-executive
Director (Dec 2020)**



**David Jones, Non-executive
Director (Dec 2020)**



**Seema Kennedy OBE, Non-
executive Director (Dec 2020)**



**Jonathan Kini, Non-executive
Director (Dec 2020)**



**Alison Munro, Non-executive
Director (April 2016)**



**Aileen Armstrong, Executive
Director (May 2016)**



**Lisa Commane, Executive
Director (April 2021)**



**John Russell, Executive
Director (July 2016)**



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