
STATES OF JERSEY



JERSEY COMPETITION REGULATORY AUTHORITY: APPOINTMENT OF NON-EXECUTIVE DIRECTOR

Presented to the States on 30th May 2013
by the Minister for Economic Development

STATES GREFFE

REPORT

Under Article 3(3) of the Competition Regulatory Authority (Jersey) Law 2001, the Minister for Economic Development is required to notify the States of appointments of members of the Jersey Competition Regulatory Authority (JCRA).

A vacancy has arisen on the board of the JCRA due to the expiry of Richard Povey's term of office on 8th May 2013. He has served on the boards of the JCRA since 2005 and the Guernsey Competition and Regulatory Authority (GCRA) since 2012: as the appointments run concurrently, and Mr. Povey has served 8 years with the JCRA (with 9 being the accepted maximum to ensure independence per corporate governance best practice), he did not seek re-appointment.

In the light of Mr. Povey's departure, and taking account of the likely workload of the JCRA and the Guernsey Competition and Regulatory Authority (GCRA) (together acting as the Channel Islands Competition and Regulatory Authorities, or CICRA) in the short- to medium-term, the Board reviewed its own composition, skills and experience. It identified, in particular, the need to reinforce the level of telecoms and electricity regulatory expertise at a non-executive level.

A recruitment Panel was selected, comprising Mark Boleat (Chairman of the JCRA and GCRA), Philip Marsden (Non-Executive Member of the JCRA and GCRA), Louise Read (Board Secretary and Director of Finance and Operations of the JCRA and GCRA) and Julian Rogers (Member of the Jersey Appointments Commission). The process itself was resourced by CICRA; external recruitment consultants were not engaged.

The recruitment process started in March with advertisements placed locally in the Jersey Evening Post and the Guernsey Press and in the Sunday Times. By the closing date, 38 applications had been received, which were then subject to a short-listing process undertaken by the recruitment Panel. The short-listing process involved comparing the skills and experience demonstrated by the candidates in their application letters and CVs to the criteria set out in the candidate brief for the role. The top 5 candidates were invited for interview.

The interview comprised a short presentation given by the candidate, followed by a competency-based interview to more closely assess the candidate's skills and experience against those required for the role. All candidates were assessed against the same competencies and scored on the same basis.

As the result of the interview process, 4 of the 5 candidates were deemed potentially suitable; however, one candidate scored significantly higher than the others. The recruitment Panel discussed the scores and each of the candidates at length and agreed to recommend the highest-scoring candidate to the Minister for Economic Development for appointment to the JCRA and to the Commerce and Employment Department for appointment to the GCRA.

The recommended candidate is Regina Finn. A copy of her CV, for information, is attached as the **Appendix** to this report. Ms Finn has extensive experience of utility regulation in Guernsey, having previously served as the first Director-General of Utility Regulation in Guernsey from November 2000 to January 2005. Ms Finn has board-level experience within a number of other regulators, including OFWAT,

COMREG (the Irish telecoms and postal regulator), and the Commission for Energy Regulation in Ireland.

The recruitment Panel noted Ms Finn's extensive expertise in utilities regulation, and in-depth knowledge of both the telecoms and electricity sectors. In the Panel's view, she would be an excellent addition to the membership of the JCRA.

The commencement date of the contract will be 1st June 2013, which is the same date as the appointment of the candidate to the board of the GCRA. The term will be 5 years, which is the maximum specified term as set out in the 2001 Law and provides for continuity within the JCRA board, avoiding several members' terms ending around the same time.

APPENDIX**CURRICULUM VITAE****Regina Finn**

An experienced Board director with an excellent track record of leadership, change management, strategy development and strategic decision-making; extensive experience in senior stakeholder management in Government, regulators, media and industry; regulatory, competition and consumer experience in a range of sectors including telecommunications, post, energy and water.

An experienced chief executive with extensive involvement in decision-making in complex commercial environments as well as building and leading senior teams, developing and implementing strategy and organisational transformation and culture change.

November 2008 – present: Non-Executive Director, Mutual Energy Holdings Ltd., BELFAST

I am a Non-Executive Director of the Board of this mutualized energy company, as well as being Chair of the Remuneration Committee and a member of the Audit Committee.

As a Board member I have supported the Chairman and the Board in transforming this small business from a start-up financing vehicle to a successful asset owner, operator and financier with a strategic influence on the Irish energy sector that disproportionate to its size. Much of this influence is derived from a greatly enhanced and improved reputation. I provide particular support in stakeholder engagement as well as experience and knowledge of energy sectors in Ireland, UK and Europe.

I share the responsibility for holding the Executive to account and ensuring good governance, which is particularly important in the absence of a shareholder function.

Skills and experience relevant to CICRA
<p>Depth of understanding of Board development and operation, from Non-Executive perspective, strengthening existing experience as Executive Board member of OFWAT;</p> <p>In-depth knowledge of (and involvement in) developing company strategy, ability to challenge, support and stretch Executive colleagues as a member of the Board team;</p> <p>Strong senior stakeholder influencing skills in a complex environment;</p> <p>Direct experience of and insight into the needs of business operating in a heavily regulated environment.</p>

October 2006 – November 2013: Chief Executive, OFWAT, UK

OFWAT is the economic regulator for the water and waste water sector in England and Wales, as well as being a concurrent competition body for the sector and having powers under consumer legislation.

I joined OFWAT in 2006 as its first Chief Executive and as a Board member, led the development of its strategy which focuses on the delivery of sustainable long-term water sector in the interests of customers. A significant achievement has been to secure the necessary commitment of Government to new legislation to enable reform of the water and wastewater sectors to deliver on this strategy. The legislation has now been published.

I led the delivery of a price control in 2009 for this £10 billion turnover industry that kept real bills to customers flat for 5 years while at the same time ensuring £22 billion investment. I successfully defended an appeal against one of the 22 determinations, clearly demonstrating how OFWAT's decisions were in the public interest.

At the same time I ensured OFWAT's core enforcement work (under regulatory, competition and consumer legislation) was targeted and successful, levying £75 million in fines on water companies and securing over £500 million in benefits returned to customers. I have driven a significant increase in the use of OFWAT's powers under the competition act, including initiating joint working with the OFT. A number of strategic decisions have been challenged in court and none were overturned. I act as decision-maker for all complex cases.

My work involves significant stakeholder management including Government, industry and the media, where it is my role to communicate complex policy and regulatory messages simply, clearly and effectively. I am a Board member and Accounting Officer, so I am experienced in appearing before Select Committees and engaging directly with Ministers and other politicians. I am also thoroughly experienced in the highest standards of governance and accountability.

Skills and experience relevant to CICRA

Demonstrable leadership skills, as Chief Executive and Board member, including in strategic development, complex negotiations and decision-making;

In-depth knowledge of regulatory, competition and consumer frameworks and legislation in the UK;

Intellectual capability to successfully act as decision-maker on all major cases under sectoral, competition and consumer legislation;

Extensive knowledge of and experience in applying the highest standards of corporate governance;

Sophisticated stakeholder management skills and relationship building experience, including strong communication skills.

February 2005 – October 2006: Commissioner for Energy Regulation, IRELAND

As one of 3 Commissioners for Energy Regulation, I led the development of an all-island electricity market (the Single Electricity Market or SEM) to deliver the best possible outcomes for consumers. This involved working with the economic regulator in Northern Ireland and both the Northern Irish and Irish governments, to set up a single market for the competitive purchase, transportation and sale of electricity in the Island of Ireland.

Requiring significant political and negotiation skills as well as project management and economic regulatory and competition skills, the project resulted in the first successful cross-border single market in Europe.

I also led the development and publication of the Commission's first Strategic Plan and contributed to the rest of the Commission's work as one of the key decision-makers under its powers to regulate both the electricity and gas sectors in Ireland.

Skills and experience relevant to CICRA

Deep understanding of the energy industry and energy regulatory frameworks in Europe, the UK and Ireland; experience in market design in a small economy;

Senior stakeholder management in an intensely political and complex environment;

Experience in managing complex programs of work spanning 2 jurisdictions.

November 2000 – January 2005: Director General of Utility Regulation for the States of Guernsey, CHANNEL ISLANDS

I set up the first economic regulatory regime in the Channel Islands, starting with legislation design through to organisational set-up, and then ran the regulatory body for its first 3 start-up years. This included recruiting appropriately skilled staff and managing much of our delivery through effective outsourcing. The organization regulated the telecommunications, electricity and postal sectors in Guernsey.

During this time, I assisted Government in privatising the local telecommunications sector and successfully liberalising both the fixed and mobile telecommunications markets. I set up appropriate regulatory safeguards and incentives to drive the transition from monopoly to competitive provision of these services.

I also established regulatory and licensing regimes for the monopoly electricity and postal sectors, and introduced improved service standards through the use of regulatory incentives.

Skills and experience relevant to CICRA

First-hand knowledge of the Channel Islands economies, markets and political institutions;

Experience in applying competition and regulatory principles to markets in a strategic and proportional way;

Direct experience and knowledge of the telecommunications, postal and electricity sectors in the Islands.

July 1997 – October 2000: Head of Market Operations (and Deputy Director), Office of the Director of Telecommunications Regulation (now ComReg), IRELAND

The ODTR was set up in 1997 to regulate the telecommunications market in Ireland, including electronic communications radio spectrum, broadcasting networks and latterly postal services.

I was a founding member of the organisation and one of the Senior Management Team that merged 2 Government Department Divisions with disparate cultures into a new organization with a clear strategic focus and delivery capability. I developed and led the Market Operations team and was a key player in creating the new culture and strategy for the organization, as was recognized by my appointment as Deputy Director.

I was responsible for the project to liberalise the Irish telecommunications sector with the aim of creating effective competitive markets working in the interests of consumers. The project was initially on a timescale linked to derogation from EU rules, which had been negotiated by the Irish Government. I successfully influenced Government to abandon the derogation and bring the project delivery deadline forward by 18 months, by demonstrating the benefits of competitive markets to the Irish economy and the ability to deliver in the shorter timescale. The project was completed successfully in the new timescale.

I also led on key aspects of national and international engagement including with the Government, European Commission, other regulators and business.

Skills and experience relevant to CICRA

Understanding of regulatory frameworks for telecommunications and experience in designing market structures, regulating and liberalising such sectors;

Merging 2 very different cultures into one organization and managing delivery of challenging programs at the same time;

Creating, leading and inspiring senior teams in complex regulatory environments.

Other positions

April 1994 – June 1997: Manager, Department of Transport, Energy and Communications, IRELAND

This work involved regulating first the broadcasting, and subsequently the telecommunications sectors, before the independent regulator was established. I managed the team that successfully made the case for the liberalisation of the Irish telecommunications sector within the European framework and developed the legislation required to establish the first independent economic regulator in Ireland.

April 1990 – April 1994: Systems Analyst, Department of Transport, Energy and Communications, IRELAND

As a qualified Systems Analyst and, reporting to the head of the Information Technology Unit, I was responsible for meeting the IT needs of a diverse policy Department spread over 9 separate sites.

February 1985 – March 1990: Executive Officer, Department of Health, IRELAND

I was one of a small team that set up a new Health Promotion Unit within the Department and I led a number of national communications projects on public health issues, including smoking cessation, child vaccination and healthy eating.