

CANVAS

REGULATION EDITION 2018
BY Saxton Bampfylde



**REFRAMING
REGULATION**

WELCOME

Welcome to the Regulation edition of CANVAS, the sectoral insight update from Saxton Bampfylde.

CANVAS is a platform to share interesting thoughts and perspectives on topics and issues that are relevant and current in your sector. We very much welcome any thoughts, comments, or inputs you would like to share.

Please enjoy this edition.

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EDITION OVERVIEW



JONATHAN MORGAN

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We live in times of widespread uncertainty and change. Long and widely-accepted principles of how economies, societies and their governments should interact are facing challenges unprecedented in recent times. Regulators of all kinds reside in the eye of this storm. As independent actors, they have a unique responsibility to oversee the way in which sectors and professions serve an increasingly demanding and sceptical public.

At the forefront of this work is Amanda Spielman, who spoke to us as she celebrated her first anniversary in the role of Ofsted Chief Inspector. In a sector where regulation has historically been viewed with trepidation, she is driving

forward cultural change, and encouraging educational institutions to embrace the process as a catalyst for positive change. We take a look at her experience of the way in which leaders with careers outside regulation can introduce a different perspective and discuss how her troubleshooting skills have come into play, helping some of the UK's most challenged schools identify where their issues lie.

We talk to Cathryn Ross just as she departs Ofwat after almost four years as CEO, heading for the private sector and a different regulatory market at BT. Cathryn reflects on the successes she has achieved and the challenges she has faced at Ofwat and outlines her belief that there is a critical role for regulators to

play in helping the UK economy navigate a period of unprecedented change.

Exceptional leaders are uncommon and in high demand. Finding the right person is something that requires an international mind-set, as we hear from Stephen Leavy, a Partner at Hobson Leavy Executive Search in New Zealand, part of the Panorama network.

We hope you enjoy this edition of Canvas and look forward to hearing your thoughts over the coming months. **U**

A large crowd of diverse people, seen from above, is arranged in a large 'U' shape that frames the central text. The people are wearing various colorful clothing, and their shadows are cast on the white background.

THE INSPECTION EVOLUTION

Interview with **Amanda Spielman**,
Chief Inspector, Ofsted



Amanda Spielman reflects on her first year in her role as Chief Inspector at Ofsted, what she has learned and the changes she has brought to the organisation. In one of the most high profile regulatory positions in the UK, Amanda talks about how her trouble shooting tendencies have benefited her in this role and why she believes a broader mix of backgrounds will enhance leadership within this sector in the future.



It is almost a year into you taking on your role at Ofsted. What are your key reflections from this period, and how has the organisation, and your role within it, developed?

One of the most fundamental elements for me has been to establish a more sophisticated understanding of inspection as an effective and strategic regulatory lever. Inspection is a highly sophisticated approach and to make it a success really depends on understanding why it is being carried out.

We have encouraged many people both within and outside Ofsted to stop and think about why are we doing inspection and what we want to come out of it. We are reflecting much more about what really makes a difference, what value we are obtaining from the judgements being made and how they can help schools and other regulated sectors to improve. At the end of the day if we are not a force for improvement then our existence isn't justified.

In the past year I've been able to step-up Ofsted's focus in the way we think about these strategic issues. This has helped us to improve engagement with government and other parts of the sector that we regulate to encourage everyone to be thinking much more deeply about the strategic and value-led approach. I feel very much that we are moving in a really positive and beneficial direction.

"At the end of the day if we are not a force for improvement then our existence isn't justified."

You are not a career regulator, having previously come from an investment and management consultancy background. Do you think that your former career has allowed you to bring particular things to the role?

My previous career has been more useful to me than I ever suspected in this role. From early on in my career I was the one that seemed to be allocated the special investigations and trouble shooting, and I have seen a great deal of synergy with this role. Often what we are looking at with troubled educational institutions are issues that go wrong in many organisations and require a similar approach to sort them out. I have realised that as my career has progressed.

When I took on the role of Chairman of Ofqual, I came to understand a great deal more about the regulation landscape and how much of what I had done in the past flowed into this. There is actually an awful lot in common between different sectors and many things apply across them and that was quite a revelation to me.

“People are coming through from a whole range of backgrounds, and different career pathways which provides a very interesting new layer of leadership within the sector.”

The other element from my previous experience is in strategy. Regulation is a deeply strategic, intelligent and focused function. It should have the right impact with the minimum resource, diversion and distraction. I spent a couple of years as a strategy director for AT&T Capital in the United States. That kind of strategic thinking translates very well into regulation.

I have revived the strategic focus here at Ofsted and reinstated a defunct strategy role in my top team. That has really paid off, complementing the strengths of the existing COO and National Policy Director.

I would also highlight the experience I gained chairing the Regulatory Futures Review – a cross government review of regulators which was published in early 2017. We did some very interesting work looking at different regulatory models and the context in which they operate. Regulation is so dependent on the industry and political context in each area. We had about 35 regulators in scope for the review and this gave a real sense of the differences and commonalities they faced. This helped me when coming here knowing which of the challenges we were facing were generic and which were specific to Ofsted.

When I took on this role there were those who thought that, as I hadn't been a teacher, I didn't know enough about teaching and issues in education. However, I have been in education virtually full time since 2001. I was one of the founding members of the Ark Schools Academy chain and was deeply involved in that education model and sorting out some very tough schools that we took on.

The Victorian model that believed that education is basically just Heads and teachers doesn't exist anymore. We have a lot more layers and structures, and individual as well as groups of schools. It is a landscape that is changing at an unprecedented rate. There are a lot of things emerging and people are coming through from a whole range of backgrounds, and different career pathways which provides a very interesting new layer of leadership within the sector.

You have talked about your role as an enabling one. Can you expand on what you mean by that, and how that will help you to achieve goals within your time at Ofsted?

When one considers the Chief Inspector title it can appear to legitimise a conception that it is all about that person and that Ofsted exists as an organisation to serve what that role desires. That is not how I see it.

I think that the Chief Executive element of the role is very important and where I see the power to act as an enabler. When I got here I found an immense amount of human talent and knowledge that I didn't believe was being utilised to the full. I have reconceived my role here in a somewhat more corporate way, to think about us as a team, creating a clear link between strategy through to implementation. This has empowered my senior civil service group to give them significantly more responsibility and provide more leeway and that is really paying off. People in the organisation are moving up several gears, which is very exciting and rewarding to see.

“Regulation is a deeply strategic, intelligent and focused function. It should have the right impact with the minimum resource, diversion and distraction.”

Your role encompasses education, children's services and skills. Looking at each of these areas, what do you consider the greatest opportunities and challenges to be?

Before I started various people conjectured that children's services would be the most challenging area after the scandals in Rotherham. I think that is no longer the case and there are a number of big issues that we are trying to spread ourselves across. What is interesting about this is how much each area cuts across the other. They don't fall into mutually exclusive boxes. We tend to think about childcare and early years rather differently than we do about schools but this isn't the case. Issues around the curriculum cut across both early years and schools. We focus on always putting children's issues first.

At the moment there is quite a lot of tension around religion and religious observance.

We are trying to address this issue which impacts across all the areas we are working in. This is a deeply sensitive and difficult area and always will be. There are no easy answers.

Ofsted has one of the highest profiles of any regulator, both politically and publicly. Does this create more challenges or more opportunities for the organisation?

It creates both challenges and opportunities. It is one of the most politically involved roles in the country which isn't carried out by a politician, and comes with a number of sensitivities wrapped around it.

I am extremely lucky that inadvertently I was prepared for that. Having been involved in the development of the Ark Schools Academy chain, where we were taking on some of the toughest schools, has also mirrored some of the challenges we face with Ofsted. The work I did as Ofqual Chair gave me exposure to further challenges around vocational education and reforming apprenticeship, as well as a greater awareness of government. It highlighted to me the complexities of being independent and yet working within government, and how different pressures manifest themselves. I had a good training programme to help me deal with the challenges and I have a very good team which has been working in this environment for a number of years.

It is tough but very rewarding because we have to be extraordinarily responsible and careful. What we do reverberates through the sectors that we work in, disproportionately to the resource that we have on the ground.

We have done some significant work around curriculum this year. One thing that has really pleased me was when the education director of one of the big academy chains told me that there had been more good conversation about the substance of education and not just data over the past year than in previous years. It struck me how much this demonstrated that we were using the clout we have in the right way.

Being appointed as Chief Executive has challenges, but getting the positive reinforcement from the outside has helped give everyone confidence that the direction we are going in, is the right one.

Do you believe that we are moving towards a culture where schools see inspection as a positive learning experience rather than something to be feared?

I really do. There is a great respect for Her Majesty's Inspectorate and has been for a long time. One of the areas we are really trying to emphasise is the importance of professional conversation at inspections, and highlight the value which comes from it. We want to ensure that we are always thinking about how we are providing the best advice and support, and generating the best value from the work we do. This is absolutely critical.

The other part that we aren't in control of, are the consequences of the outcomes of inspection. We are somewhat at the mercy of central, local government and governing bodies and academy chains in how they decide to respond to inspection judgements.


We do everything we can to ensure that our inspection reports are thorough, clear, nuanced and reflect strengths as well as weaknesses. At the end of the day, however, it is up to other people to decide what to do with them and not Ofsted. Our role is to report without fear or favour.

How much room is there for the inspectorates of the UK to learn from one another? Are there other jurisdictions which you look to for inspiration?

Absolutely there are. The inspectorates do talk to each other a fair amount of the time. In fact, a great deal about the establishment and development of

"We want to ensure that we are always thinking about how we are providing the best advice and support, and generating the best value from the work we do."

the Care Quality Commission is based on Ofsted practice. Much of this was helped by the work of Regulatory Futures Review providing an opportunity to share and develop best practice. We do also talk internationally. There is a European Association of School Inspectorates covering most of the countries in Europe and we attend conferences and seminars together. This provides some very interesting discussions about how inspection is conceived and implemented in other countries, and what can be learnt from one another.

Ofsted is one of the biggest inspectorates because other countries typically make inspection a regional or federal function rather than a national one. These provide fascinating conversations and I very much want us to stay part of that, as it really helps us look at what we are doing objectively. 

AMANDA SPIELMAN BIOGRAPHY



Amanda Spielman has been Ofsted Chief Inspector since January 2017. Between 2011 and 2016, Amanda was Chair of Ofqual, the qualifications regulator. From 2005 she was a founding member of the leadership team at the academy chain Ark Schools, where she became Research and Policy Director and an education adviser to Ark, the education charity. She previously spent more than 15 years in strategy consulting, finance and investment at KPMG, Kleinwort Benson, Mercer Management Consulting and Nomura International.

She is a council member at Brunel University London and has previously served on the boards of a number of organisations including the Institute of Education, STEMNET and Wales Millennium Centre, and has been a Governor of two schools.

KEEPING MARKETS FLOWING

Interview with **Cathryn Ross**, Director of Regulatory Affairs, BT and former Chief Executive of Ofwat

We talk to **Cathryn Ross** just as she departs Ofwat after almost four years as CEO, heading for the private sector and a different regulatory market at BT. Cathryn reflects on the successes she has achieved and the challenges she has faced at Ofwat and outlines her belief that there is a bright future for the regulatory market in the UK.



As the CEO of Ofwat for almost four years, you have been described as a 'transformational leader'. What would you say are the key skills that the leader of a regulator requires to effect change?

In any leadership role the key to change effectiveness is always the people. You can't deliver change in any organisation without getting people to come along on that journey with you. The ability to empower and inspire to deliver the change that you want to see is critical. That isn't particular to regulators however, or any other sector, I don't believe.

In terms of core skills, a leader needs to have a clear level of adaptability. To be able to accept that where you end up may not have been where you first had in mind, and that ultimately that is okay. In fact, it is probably quite a good thing as it means that people have influenced the process and that the leader has learned and adapted on the way.

The other thing needed from someone trying to bring about a major change is a considerable degree of personal resilience. Change doesn't happen overnight. At Ofwat we started to make changes four years ago when I came into post and I wouldn't say it is completely finished today. The resilience also requires a relentless approach, as without progress change can start to go in the opposite direction.

Nobody ever became a regulator to be popular; it just isn't one of those jobs. However it does bring a great deal of satisfaction knowing that regulated sectors are critical to people's lives and that you have the potential to make them better. Leaders in the regulation sector need to keep the

courage of their convictions and focus on the goal of making the world a better place. It does bring criticism, there is no doubt, but it also brings a great deal of satisfaction too.

"Leaders in the regulation sector need to keep the courage of their convictions and focus on the goal of making the world a better place."

What would you describe as your biggest achievements during your time at Ofwat?

Cultural transformation is a significant achievement. Ofwat feels like a very different place to work than it did four or five years ago. This comes through in our people surveys and more general feedback and you can even just sense it in the daily office environment. It is that culture that empowers people to make the best contribution they can possibly make and understand what it is that we are trying to achieve. We celebrate those who go outside the organisation, create a debate, foster new ideas and make better decisions or choices as a result of this. This culture gives people a feeling of having a genuine stake in the organisation and its

decision. It has been an amazing experience to be part of that transformation.

Linked very closely to that is more about the organisation of Ofwat itself, and how it has been able to evolve with its people. It has always had tremendously high potential with incredibly bright people who are utterly passionate about what they do and a lot of what I have been trying to do is to enable this to flourish. I don't believe you can turn an organisation into something that inherently it isn't, but you can turn it into the best version of itself. I am very proud to see that the culture and transformation work we have been undertaking is starting to deliver this at Ofwat.

The other area I would highlight as an achievement is the relationship with our stakeholders. A few years ago Ofwat was characterised as a closed organisation, and I think that maybe that came from a lack of confidence, or as a response to criticism. The response was to close ranks or be defensive. That does not create a dialogue with stakeholders that enables you to pull in the best ideas, create the debate and identify the direction of travel that everyone can buy into and deliver. I don't think that is just about Ofwat. I was very fortunate when I came in about four years ago that all of our stakeholders desired change in terms of the relationship with the regulator. Ofwat has been able to catalyse that, and it is an immensely better environment.

This greatly enhanced relationship is demonstrated in Ofwat's current work in publishing the methodology for the next price review which will happen in 2019. This has been developed through a genuine process of co-creation with the sector we regulate, with government, environmental NGOs and

“One of the biggest enemies of diversity in any sector is a closed culture and a tendency to consider challenge as something to be suppressed.”

consumer bodies. We haven't gone away and worked it up in a vacuum and then visited it upon an unsuspecting sector.

When we put the consultation out in July, most people felt it was what they were expecting. That was actually very pleasing and people recognised the co-creative process. The water sector is going through a huge period of change just now. The markets are opening up, there are big challenges from climate change, population growth and new technologies to manage networks and customer interface. If you are in a period of substantial change you are in the position where nobody has the right answer. In that sort of environment that process of co-creation and quality of conversation amongst everyone who has some insight and experience is absolutely critical.

Is there any unfinished business which you regret having to leave behind?

I don't think so. I don't feel I am looking back thinking I should have nailed something and I didn't.

I am leaving at quite a pivotal point for Ofwat. We are currently delivering our approach to the next price review (December 2017) and from September 2018 Ofwat will be receiving company business plans and that will set the price for the customer package from 2020 to 2025 as well as detailing the incentive framework companies will work within during that same period.

I shall be watching with appropriate detachment, but seriously keen interest, as to how the methodology which I am delivering at the moment is actually going to be put into place. It will govern the evolution of the sector right up until 2025 which, given everything I have said about the extent and profound nature of change going on in the sector, is going to be a really key period.

As you join BT you are moving from the public to private sector. What do you believe will be some of the key differences, positive and challenging, that you might face in this transition?

To be honest I am genuinely not quite sure what to expect. I have been Chief Executive of a regulator for four years and I have worked in regulation for the past twenty years. I feel like now is the right time to try and do something very different. The very nature of that means I am not entirely sure what I am getting into, but that is part of the challenge and also a huge part of the attraction too.

One thing I would highlight and one that very much impressed me about BT, was its very strong sense of social purpose. It is very important for me to try to make the world better for those in it. I may not always succeed but that is what I am trying to do and I don't think I could work anywhere that didn't embody that. It is obviously a private company and shareholders need to make an appropriate return, but BT is trying to do that by making the world a better place.

Obviously, they do have some very significant challenges in terms of their regulatory environment and I think it is very interesting to observe telecoms regulation grappling with some of the challenges that water has been contending with for a longer period. The early days of telecoms regulation was very much about regulating a network which already existed. Today it is about regulating to create an environment which has to support massive transformational investment in 5G and fibre to the premises, for example. Water regulation has been trying to create a favourable investment climate for a long time, so I am hoping to be able to add something to the debate there.

However, I am going in with an open mind and expect my few months will very much be a learning phase in the job.

Do you think the regulatory landscape, post-Brexit, will diverge significantly from its current approaches? Are there many areas of regulation due to return to the UK in this period?

Sectors do differ massively in terms of the impact of European law and policy on regulation. In water, for example, there isn't a single European market so it will not have much of an impact there. However, in aviation there will be a big impact, and in energy and telecoms where a substantial proportion of the economic regulatory regime comes from EU law.

As we begin the exit from the EU I think it is only right to take a wider view and think about what opportunities we might have to create frameworks for that are better suited to the UK's needs. I would be surprised if we don't do that and I would be surprised if that doesn't bring about a degree of change, however a lot of the EU regulatory law was very heavily influenced by the UK in the first place.

Considering the water market more specifically, the biggest impact is going to be in relation to agricultural-environment policy.

Coming out of the common agricultural policy will provide a huge opportunity to change how stewards of the landscape are recompensed for doing those things that benefit our natural capital. That is a very different way of talking about payments into the rural economy than the current farm subsidies and it could bring about huge changes to how the rural economy works

One thing that is certain is that it will take years to think through, so I am not sure what immediate impact it is going to have on the economic regulatory regime.

How confident are you that we are going to be able to meet the demands for fresh talent in the sector?

As we look at this future regulatory landscape in the UK there is massive need for talent, far more than we have seen in the past. Partly because of all these changes that will need to be thought through by government and regulators in a Brexit context, and also in part due to the unprecedented public scrutiny being faced in regulation at a time of immense change.

We need fantastically bright, passionate and motivated people to think through these issues. The good news is that regulatory bodies are becoming incredibly attractive places to work. They undertake work that matters, offer intellectually challenging opportunities, and increasingly offer much desired flexible and agile working arrangements.

Ofwat's experience over the past few years suggests that, if you put your best foot forward as a regulator and really articulate what you have to offer, you don't struggle to attract great people.

What is the single most effective initiative you have seen in action to build diversity within the regulatory sector?

I think the single most important thing is to value diversity of thought. One of the biggest enemies of diversity in any sector is a closed culture and a tendency to consider challenge as something to be suppressed. To successfully embrace diversity, organisations should encourage a culture of openness and learning, where challenge and different perspectives are seen as genuinely useful in helping to make better and more robust decisions every day.

At Ofwat I think we really managed to achieve

that in the past few years. We put in place a new set of values and behaviours which was very much driven by our people. A key part of that was a focus on learning which has encouraged and welcome the opportunity to challenge and debate, showing respect and value in all different types of experience and perspective.

I don't have a great deal of sympathy for a tick box approach to diversity. It is useful to look at observable indicators of where people come from, but challenging outside the typical sources, going beyond the organisation when required and exposing yourself to different ways of thinking is a much more effective approach in my experience.

"It is about the conversation that regulators initiate to remind and reinforce the importance of legitimacy."

How do you see regulators adapting to a world of proactive industrial strategies and increasing public scepticism towards the value of markets?

I do think it is a very important question. For me the key to this is not only focusing on the legitimacy of regulation but also building on and maintaining the regulator's role in demonstrating the legitimacy of the sectors we regulate. The fact of the matter is that if a sector has a regulator it is providing a really important public service. This function makes them politically salient and they matter to parliamentarians because they matter to society. Therefore, I think it is entirely unsurprising and right that politically a lot is being said about them. Any notion that independent economic regulation was somehow ever going to work in a political vacuum was delusional.

How well do you think government is working with regulators at a time of unprecedented change?

A very positive step is the initiative which has seen government give regulators strategic policy statements. The idea is that

the government sets out what its strategic priorities and objectives are for the sector. It is not a shopping list or instructions, but a high level strategic statement about what the public wants from its regulators. It is a transparent and consulted-upon vehicle that enables government to say clearly to a regulating body what matters to the country. It avoids less visible and less consultative approaches which can undermine the operational independence of regulators and also destabilise the investment value of these sectors by creating political risk.

We have the potential for a very constructive relationship between government and regulators and I think these strategic policy statements are a very good example of that.

What impact does increased public scepticism bring to the regulatory sector?

The market has shifted considerably in twenty years. If you look back at the 1990s and sector privatisation, much of that was undertaken with attempts to roll out competition and deregulate and liberalise markets.

I think that public mood has shifted away from that to some degree and it is really important in that context that regulators think very carefully about whether customers are getting what they expect from these markets. Not only in terms of value for money, but how service providers are behaving. I think if you unpick some of the debate at the moment about renationalisation and remove some of the ideological aspects to that, the key issues are a combination of value for money and the belief that the delivery is not seen as commensurate with essential public service characteristics. That then raises issues of transparency, accountability and executive pay.

I think if regulators are really going to look after the legitimacy of their sectors they have to think much more broadly than a narrow technocratic exercise in assessing value for money and look at how service providers in their sector are behaving. That goes much further beyond price controls, determinations and licence enforcement. It is about the conversation that regulators initiate to remind and reinforce the importance of legitimacy. 

CATHRYN ROSS BIOGRAPHY



In January 2018 Cathryn joined BT as Director of Regulatory Affairs. Prior to that she was the Chief Executive of Ofwat, the independent economic regulator for the water and waste water sector in England and Wales.

In that role she was responsible for ensuring that Ofwat held a £120 billion industry to account in delivering against the expectations of customers, wider society and the environment. She has seen through the delivery of a new strategy for Ofwat, focused on a vision for the sector of trust and confidence in water and waste water services. This involves a new model of regulation, to better help the sector deal with the challenges of the future. This model gives the sector greater flexibility, including through use of markets, but also requires it to provide information and assurance about its performance and resilience.

Cathryn is an experienced regulatory and competition economist and has worked across a number of different sectors advising on economic, regulatory and competition issues. Previously, Cathryn was Executive Director of Markets and Economics at the Office of Rail Regulation (ORR). She was Executive Director of Markets and Economics at Ofwat between 2008 and 2011. She also served with the Competition Commission (now Competition and Markets Authority), and worked in economic consultancy.

KEY APPOINTMENTS

Saxton Bampfylde and its partners around the world, through Panorama, advise many of the world's leading regulators and regulated industries. We are delighted to share with you a selection of some of the roles that we have been privileged to work on recently.



RACHEL FLETCHER **OFWAT**

Chief Executive

Ofwat has appointed Rachel Fletcher as its new Chief Executive. Rachel joins from Ofgem where she has been Senior Partner for Consumers and Competition and sits on the Ofgem Board. Rachel joined Ofgem in 2005 and during her time there was also Partner for Distribution, leading the Electricity Price Control Review and introduced the Low Carbon Network Fund. Before joining Ofgem, Rachel worked as a consultant advising public and private sector organisations around the world on energy strategy and policy.



ADRIAN ORR **RESERVE BANK OF NEW ZEALAND**

Governor

The Reserve Bank of New Zealand has announced that Adrian Orr has been appointed as Governor. Orr has previously served as the RBNZ Governor for four years before joining the New Zealand Super Fund in 2007. He has been the CEO at New Zealand Superannuation Fund and served as Deputy Governor at the Reserve Bank of New Zealand. He was Chief Economist at Westpac Banking Corp, Chief Manager of the Economics Department at the Reserve Bank of New Zealand and the Chief Economist of the National Bank of New Zealand.

PLC. James has also held senior roles at the Civil Aviation Authority and the General Medical Council.



GAYLE GORMAN **EDUCATION SCOTLAND**

Chief Inspector of Education for Scotland

Gayle Gorman has been appointed as Chief Inspector of Education for Scotland. She was previously Director of Education and Children's Services with Aberdeen City Council, and was the strategic lead for education, children's social work, culture and sport. Prior to this Gayle was the Director of Learning at Cambridgeshire County Council and National Senior Director for Literacy, where she was responsible for leading the National Literacy Strategy in England. In her early career she was a primary teacher before she became involved in curriculum development, first with Essex and Suffolk County Councils as an Ofsted Inspector, and subsequently with the Department of Education. Gayle is also a Trustee of the Gordon Cook Foundation.



CHRIS STARK **COMMITTEE ON CLIMATE CHANGE**

Chief Executive

Chris Stark has been announced as Chief Executive of the Committee on Climate Change (CCC). Chris was previously Director of Energy and Climate Change in the Scottish Government. He previously headed the Strategy Unit, the Scottish Government's central strategy team, and has worked in a number of Whitehall departments. He has wide experience of economic policymaking in the Scottish Government, HM Treasury and the former Department for Business, Innovation and Skills (BIS).



DAVID PICKERING **LENDING STANDARDS BOARD**

Chief Executive

David Pickering has been appointed as Chief Executive of Lending Standards Board (LSB). David joined LSB in 2013 as Compliance Director. David's main responsibility is to set the compliance risk oversight strategy and ensure it is delivered through an effective programme of assurance, insight and research work. Prior to joining LSB, David worked for Nationwide Building Society, where he held a number of senior positions in internal audit before becoming the Society's Head of Compliance Review in 2010.



SUE EDDY **VICTORIAN BUILDING AUTHORITY, AUSTRALIA**

Chief Executive

The Victorian Building Authority - the regulator of all building activity in the State of Victoria in Australia - has appointed Sue Eddy as its new Chief Executive. Sue was previously the Lead Deputy Secretary for Corporate Services at the Department of Economic Development, Jobs, Transport and Resources where she had direct responsibility for the department's near \$2 billion operating budget and over 300 staff. She previously headed the Budget Strategy and Reform branch of the Department of Treasury and Finance, overseeing the development of successive State Government budgets.



BOB DOWNES **OFCOM**

Board Member

Bob Downes has been appointed as the first Ofcom Board Member for Scotland. Bob is the current Chairman of the Scottish Environment Protection Agency and of CENSIS, an innovation centre for sensors and imaging systems. Bob is a Trustee of the Mackintosh Campus Renewal Appeal for Glasgow School of Art, and an advisor to a number of small technology businesses. Formerly he was a senior executive with BT Group



JAMES MACKAY **GAMBLING COMMISSION**

Executive Director

The Gambling Commission has appointed a new Executive Director - James Mackay will lead the competition for the next licence of the National Lottery - a role which will include shaping and running the competition ahead of the new licence beginning in 2023. James' previous roles include Head of Regulatory Policy at Rail Delivery Group; Head of Workforce Efficiency at Monitor; and Head of Regulatory Policy at Heathrow Airport

EDUCATION SCOTLANDChief Inspector of
Education for Scotland**CHARTERED PROFESSIONAL
ACCOUNTANTS OF BRITISH
COLUMBIA**
President & CEO**RAE STEWART & STUART
COLVILLE****WATER UK**Director of Corporate Affairs &
Director of Strategy

The Department of Energy and Climate Change has appointed Rae Stewart as Director of Communications for Water UK. Rae was previously interim director of comms at Defra and has worked in government comms for five years following a 20-year career in TV journalism. Stuart Colville has been appointed as Director of Strategy for Water UK. Stuart was Principal Private Secretary at Defra, working for three Secretaries of State and Environment Ministers, following ten years in Government strategy and policy roles.

**LORI MATHISON**
**CHARTERED
PROFESSIONAL
ACCOUNTANTS OF
BRITISH COLUMBIA**

President & CEO

Lori Mathison became the new President & CEO of Chartered Professional Accountants of British Columbia (CPABC) -

OFWAT

Chief Executive

COMMITTEE ON CLIMATE CHANGE

Chief Executive

GAMBLING COMMISSION

Executive Director

LENDING STANDARDS BOARD

Chief Executive

OFCOM

Board Member

WATER UK

Director of Corporate Affairs &

Director of Strategy

SOLICITORS REGULATION AUTHORITY

Lay Board Member

WHICH?

Corporate Affairs Director

**PAUL LOFT**
**SOLICITORS REGULATION
AUTHORITY**

Lay Board Member

Solicitors Regulation

Authority (SRA) has announced the appointment of Paul Loft as its new lay Board member. Paul Loft's 30-year career has included senior positions at Homebase, Habitat, GUS Home

**RESERVE BANK OF NEW
ZEALAND**
Governor**VICTORIAN BUILDING
AUTHORITY, AUSTRALIA**
Chief Executive**CHARLOTTE COOL**
WHICH?Corporate Affairs
Director

Which? has announced the appointment of Charlotte Cool to the newly created post of Group Communications Director. Charlotte joins Which? from ASDA where she was Vice President of Corporate Affairs, and prior to that was Group Head of Corporate Affairs at John Lewis Partnership, a post she held for 10 years.

VIEW FROM THE OTHER SIDE

A REGULATORY PERSPECTIVE
FROM NEW ZEALAND

Stephen Leavy is a Partner at Hobson Leavy Executive Search in New Zealand, a member of the global group, Panorama.

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The regulatory sector in New Zealand has remained extremely busy and active as regulators remain on the front line of tackling many of the thorny issues in business and society, including business disruption.

New Zealand's main business regulator is the Commerce Commission with the financial sector having the two regulators of the Financial Markets Authority and the Reserve Bank. Hobson Leavy has been fortunate to have all three as clients recently, having very recently appointed the new Governor of the Reserve Bank of New Zealand (Adrian Orr), and a number of years ago the CEO of the Financial Markets Authority (Rob Everett) as well as currently searching for a new Chief Executive of the Commerce Commission.

All three regulators face a high degree of scrutiny in the media. In the financial sector, following the global financial crisis there was a swing towards greater regulation by both the Financial Markets Authority and the Reserve Bank. There has more recently been some push back by financial organisations against the regulation and attempts to see that loosened. There was some sympathy to these remonstrations from business under the previous National Government. However, given the recent change to a Labour-led Government it seems unlikely there would be any significant roll back of the new regulatory environment.

The Reserve Bank's regulation of banks is particularly important as our banking sector is largely Australian owned and the Reserve Bank needs to ensure that the New Zealand operations of the Australian banks are "ring fenced" so that in the event of any major economic crisis, local depositors and lenders are protected.

On the consumer side, the Commerce Commission has recently declined a proposed merger between the two major news media organisations in New Zealand (NZME and Fairfax). The two wish to merge, claiming disruption by international giants such as Google and Facebook is making their core businesses untenable. The Commission took a view that merging the only two major media outlets into one would substantially weaken competition and would not be in the public interest.

Not surprisingly, given the two parties seeking to merge, the decision has come under significant media scrutiny. It is however, a perfect example of how regulatory authorities can play an important role in our rapidly changing business environment.

These changes, and the pace of them, have meant regulators also have to invest in additional talent, often with skills and backgrounds not typical of regulators. An example is the increased focus on cyber security and cyber risk. Regulators need

to be up to speed with developments in this area and ensure they have people who understand these risks. But such people are in short supply and regulators have to compete with the private sector for this talent; always a challenge.

Sourcing the globe for the right talent remains important. Senior regulatory capability and experience is in demand globally, particularly in the "common law" jurisdictions of New Zealand, Canada, Australia and the UK. The regulatory environments and frameworks are often similar between those countries. The search for the Governor of the Reserve Bank was an international search, which involved searching into similar jurisdictions globally. A number of years ago when Hobson Leavy carried out the search for the CEO of the Financial Markets Authority, the candidate appointed was Rob Everett, a former regulator and investment banker from the UK. Our current search for the Commerce Commission has also been a global search.

In this regard, the networks and capability of the Panorama Partner firms proves invaluable. A number of the member firms, but particularly the UK, Canada, Australia and New Zealand, have extremely strong regulatory practices. Our ability to share information on not only people, but also trends and developments in this sector, is invaluable.



VIEW FROM THE RIVER

TEAM INSIGHT

Take a closer glimpse into the Saxton Bampfylde team with our regular View from the River feature. The office is based next to the iconic Thames where the majority of the team is based.



JONATHAN MORGAN

Jonathan is a Partner and Head of the Regulation Practice at Saxton Bampfylde

YOUR ROLE AT SAXTON BAMPFYLDE

I lead Saxton Bampfylde's regulatory and government affairs practice, and also jointly chair Panorama's global public sector group.

RAINY DAY DREAMS

I had a spare and very wet and blustery afternoon in Brussels at the end of last year, while I was visiting to join a Council meeting of our professional body, the AESC. Fortunately I had come well-prepared, and enjoyed a gloriously filthy bike ride over some of the (in)famous cobbled hills of Flanders!

TRUE PASSION

My family, for sure. I have three wonderful kids and a deeply understanding wife, which comes in handy given my aforementioned, two-wheeled, passion.

ONE HOT TIP

The Three Body Problem trilogy by Cixin Liu: a brilliantly written science fiction epic, starting with the Cultural Revolution and concluding just before the end of the current universe.

YOUR PRACTICE GROUP AREA IN THREE WORDS

Complex. Fascinating. Scrutinised.

WHAT IMPACT ON THE SECTOR ARE YOU SEEING FROM BREXIT, SO FAR?

Thankfully, head-hunters don't have too much responsibility for finding answers to the very many questions that Brexit has strewn across regulators' paths, bar perhaps one. This is a sector that has been very successful in attracting international staff, and in recent years our searches for senior roles have become increasingly intensively international.

Through our Panorama network, we regularly reach out to potential candidates across Europe, Australasia and North America. However, exchange-rate shifts and, more fundamentally, international perceptions of what Brexit means for the UK's attitude towards a global, cosmopolitan workforce, have made it significantly more challenging to attract candidates based overseas, including British expatriates.

WHAT IS THE ANSWER (BARRING A SECOND REFERENDUM)?

Organisations can help by communicating explicitly about their ongoing enthusiasm for attracting and developing non-UK staff. Search firms can, in much the same way as we should with regard to diversity, also make targeting and persuading people beyond our national borders an integral part of and priority for the search. There are no magic bullets, but we remain confident that in the long term the UK will remain a global hub and an aspirational place to work.

GET IN TOUCH WITH JONATHAN

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SAXTON BAMPFYLDE MISSION STATEMENT

We exist to change the world by changing leaders in interesting and important organisations. At the same time we aim to create an environment wherein all members of our community can grow to their fullest extent emotionally, intellectually and spiritually.

Saxton Bampfylde is an employee-owned business

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