



Position Specification

Jersey Electricity plc
Chief Financial Officer

Our Client

Jersey Electricity plc (JE) is a vertically integrated power utility dealing in the importation, generation, transmission, and distribution of electricity to Jersey. It has a premium listing on the London Stock Exchange and has a critical role as the sole supplier of electricity in the Island, serving around 50,000 domestic and commercial customers. The company aims to provide affordable, secure, and sustainable energy for the community and fair returns for shareholders by investing in, developing, and operating an electricity infrastructure, renewables, and services portfolio that is modern and fit for the future.

While JE is not currently formally price regulated, the business self-regulates and is in close communication with the Government of Jersey and other local and international stakeholders.

JE Group consists of several complementary businesses beyond energy supply including retail, IT advisory, building services, environmental consultancy and property. With such a diverse portfolio, complete end-to-end responsibility for the importation, distribution, and supply of electricity to the Island, with significant infrastructure capex and some material contracts to manage, including a key energy supply contract, the opportunities to drive real innovation at the organisation and across Jersey itself are significant. There is an opportunity for JE to act as an important test bed and market leader in the application of net zero and sustainable technology, leveraging existing assets and relationships, and the unique circumstances of the services provided to The Island.

JE prides itself on the positive and inclusive operating culture that it has fostered over the years and is now viewed as one of the best organisations to work for in the Channel Islands. Its Visions and Values are anchored around a key focus on teamwork, diversity, and respect, and the new Finance Director will play an essential role in maintaining and fostering a culture focused on an enjoyable and rewarding work life.

The Government of Jersey has recently approved its Carbon Neutral Roadmap – a set of ambitions and actions focused on delivering net zero outcomes for Jersey. As the only electricity provider in the Island, JE has a key role to play in Jersey's transition to zero-carbon and considers its ongoing investment in digital technology and innovation as a central enabler and differentiator. Having created a smart-enabled, low carbon grid, JE believes that Jersey could achieve zero-carbon faster and more cost-effectively than most jurisdictions.

For more information, go to <https://www.jec.co.uk/>

For the most recent annual report, go to <https://www.jec.co.uk/investors/>

Sustainability

Around 95% of the electricity supplied is imported from certified low carbon hydro (34%) and nuclear (66%) sources in France through three undersea supply cables, via a supply agreement with EDF (expires 2027). These cable links have given JE the ability to virtually completely de-carbonise Jersey's electricity supply whilst at the same time improve reliability and affordability. The remainder of their electricity comes from the Government-owned Energy from Waste Plant and since 2019 some on-Island solar PV generation.

JE is accelerating investment, around £150m over the next ten years, in an already well invested, largely future proofed and efficiently operated grid; it continues to explore offshore wind, which is potentially commercially viable in the near-term, and is also considering the role of tidal generated electricity in Jersey's energy mix in the future. JE is also scaling up investment in technology and digital and have put in place important foundational elements of this strategy including delivery of its smart meter network which was completed in late-2020. Smart meters are the foundation of a smart grid that could in the future enable micro renewable generation and dynamic supply and demand management. There is the real possibility that Jersey could serve as a trailblazer in the sustainable and renewable electricity sector.

Market Volatility

There has been unprecedented volatility in energy markets during 2021. Although not immune, JE's hedging and risk management policies have greatly sheltered Jersey customers from the material rises in cost, with the period 2022-24 being largely hedged for the price paid for electricity and, to a lesser extent, the foreign exchange requirements needed to settle such liabilities. Assisted by its importation contract with EDF, its hedging regime and the fact that JE sells approximately twice as much electric power per customer as is sold on average in the UK, retail power prices are around half the level of those being offered in the UK.

JE's reputation and standing with the Government of Jersey and Islanders depends on maintaining a consistently good record on supply security. As such, JE invests to ensure infrastructure is securely designed, well maintained and that staff are trained to respond to adverse events quickly if they do occur. They measure supply reliability in Customer Minutes Lost (CMLs), representing the total supply interruption time in minutes experienced by each customer on average in a year. This year, JE's CMLs were the same as last year at just five, making it the joint best performance in 11 years during which they have consistently outperformed larger UK distributors who averaged 80 CMLs in 2019-20.

Financials

Total revenue for the year to 30th September 2021 at £118.6m was 6% higher than in the previous financial year. Profit before tax was a strong £19.1m against £14.8m in 2020. However, if the non-cash upside from the revaluation of investment properties is excluded in both years, along with the non-cash cost of £1.8m for the ex-gratia award for pensions in service in 2021, the underlying YoY profit before tax is £14.8m (2021) against £14.3m (2020), an increase of 3%.

JE is listed on the London Stock Exchange and is a constituent of the FTSE Fledgling index. It is 62% owned by the government of Jersey, with the remainder largely owned by private individuals in the Channel Islands and a small number of institutional investors.

The Island of Jersey

Jersey is the largest of the Channel Islands, with a population of over 100,000. Known for its beautiful countryside, wealth of outdoor pursuits, and quasi-Mediterranean living, it also offers a superb schooling system with a wealth of good private and state schools for children of every age. Residents of Jersey enjoy an exceptional quality of life.

More information on living and working in Jersey can be found at:

<https://www.locatejersey.com/>

<https://www.jersey.com/>

As a self-governing Crown Dependency, Jersey has its own fiscal and legal system. Residents pay tax on income at a maximum of 20%, and no capital gains or inheritance tax. GST is levied at a level of 5%.

The Role

The Board of Jersey Electricity plc are seeking to appoint a new Chief Financial Officer with a remit to join the Board and the Chief Executive in leading the ongoing strategic and operational development of the business. This individual will be tasked with leading and developing a strong finance function, capable of supporting and driving continued strong performance and operational excellence, and development of the business in line with market opportunity. The next CFO will be an effective and influential business partner as well as a strong functional leader. They will be instrumental in creating shareholder value and will act as a key conduit of information with investors and other stakeholders. They will be responsible for managing JE's risk profile, investment in future growth, and ongoing hedging programme including its key electricity supply arrangements from France. They will lead an overall team of ~20 staff with two direct reports, the Financial Controller and Head of Internal Audit and Risk.

This person will be expected to play a key leadership role across the business. They will combine a focus on detail with an ability to play a significant role in the development and implementation of longer-term strategic plans, including building new partnerships to support the Island's energy transition, exploring and developing major renewable projects and ensuring the continued provision of reliable, cost-effective, risk managed services to the Island. The successful candidate must be an energetic, engaging leader, with the ability to build and develop a team in a non-hierarchical, evolving organisation.

The external aspects of running JE are significant. Apart from the shareholder and debt provider dimensions there are political management, media/PR relations, key electricity supply management and external customer relations that are relatively higher in profile in this jurisdiction than they are in the UK, as JE is a significant local business in the Channel Islands and the Company provides a critical service that is central to the proper functioning of the local economy.

Key responsibilities

Controls

- Be fully accountable for all aspects of JE's financial operations, ensuring appropriate financial processes and controls are in place, including overseeing consolidation of all finance information and compliance with statutory requirements.
- Manage the budget cycle and together with the CEO, business plan: strengthen processes and ensure tight financial control is maintained over the business in relation to key financial ratios and performance indicators.
- Develop a razor focus on energy markets, risk (hedging, credit, and liquidity) management, ensuring good cost management and sustainable cash flow.
- Manage the internal audit programme to ensure that the Company maintains adequate internal controls and complies with financial procedures and regulations, in conjunction with the Audit Committee.
- Lead and provide direction to the Group's tax and treasury functions, including ensuring compliance with banking covenants, reporting requirements and the asset distribution and investment.

Reporting

- Develop and maintain a high standard of disciplined financial reporting within the organisation, in terms of uniformity, integrity, speed and quality and ensure that management information systems at all times serve the needs of the business and reflect changes as it develops in terms of both financial and capital position.
- Develop improved functional efficiencies using automation and systems, to allow management to focus on performance and insight development.

Strategy and Growth

- Working closely with the CEO, play a full and active part in shaping and implementing the overall strategy and direction for the business, ultimately driving and delivering its profitable growth and development, both organically and through acquisition.

- Tender, negotiate and manage the electricity supply contract (including consideration of all forms of hedging), in conjunction with the Operations Director, to ensure security of supply at reasonable cost; contract represents ~60% of the cash cost base.
- Serve as a key financial interface with subsidiaries and joint ventures that form part of the JE Group (including CIEG and Jersey Deep Freeze) and external shareholders/brokers.
- Develop and maintain a knowledge and network of the public and private lending markets, key evolutions and trends and the benefits of cheaper, longer term funding solutions for the business.
- Adopt a proactive and engaged approach to investor relations; take responsibility (with the CEO) for handling the Company's relationships with investors and corporate financiers. Ensure that shareholders are comfortable with company strategy and progress.
- Ensure ongoing positive relationships with key stakeholders and actively manage external relationships with auditors, bankers and other advisers.

Leadership

- Support and engage with operational management and business development teams, building trust, credibility and respect and acting as a strong partner.
- Lead, inspire and develop a highly qualified and experienced professional team, ensuring that the organisation has the right level of financial skills in place. Provide clear management direction and set high performance expectations so that succession planning is effectively managed.
- Master the detail of the business, its plans and its current operations, from a finance and wider commercial perspective, bringing challenge to commercial issues and decisions with a particular emphasis on cost management and efficiencies within the business.
- See that operating management responds quickly and effectively to any problems or adverse trends.
- Provide corporate leadership, promoting the culture and values of the Company inside and outside the organisation.

Governance

- Aid the Board and investor's understanding of underlying business performance and provide information and support to longer term planning and decision making.
- Report to the Board and lead debate on all risk and finance issues – e.g. funding, audit, tax, FSA regulation, etc.
- Liaise closely with external auditors and tax advisors and take responsibility for liaison with the Audit Committee.

Candidate Profile

- An experienced finance professional, who has held the number one finance role in a company of similar scale and complexity, or a high potential finance professional who brings broad, practical experience as Finance Director or Chief Executive of an operating division of a larger company, or as Group Financial Controller.
- A proven track record of successful commercial financial management with well-regarded companies.
- Experience gained within companies that are tackling energy transition and sustainability issues would be an advantage.
- Direct sector experience is not critical, but candidates must have an appreciation for a company like Jersey Electricity. Energy experience would be highly preferable.
- The ability to quickly learn the detail of a new business and to be able to quickly assess priorities in a pragmatic way.
- International experience, a global mindset, and an openness to new possibilities and opportunities for improvement.
- Hands on experience of acquisitions and disposals and the ability to actively manage transactions and close deals is important.

- Demonstrable success in building and sustaining collaborative relationships with joint venture partners, colleagues, potential investors and shareholders.
- Graduate or graduate equivalent with a professional accounting qualification (ACA or equivalent preferred).

Personal Characteristics

- A pragmatic team player with high energy and an open manner, significant drive and commitment.
- Passion for sustainability and net zero, and a genuine care for the environment.
- Driven and highly ambitious with a long-term approach to achieving goals, turning sustainability into a competitive advantage.
- Focused on business improvement and functional excellence.
- Demonstrable commercial acumen and comfortable discussing non-financial issues (operations, people, technology etc.).
- A robust and dynamic leader able to empathise with and inspire and motivate others.
- Strong communication and influencing skills; a confident and effective communicator, able to engage with a diverse range of audiences from the Board to shop-floor.
- Positive personality able to establish credibility both internally and externally.
- A robust approach with a down to earth, "sleeves rolled up", and hard-working style.
- Will possess a challenging, commercial outlook and will question the status quo in a constructive and empathetic manner.
- Must have natural stature and authority.

Selection Process

The closing date for applications is **23.59 on the 4th October 2022**.

How to Apply

The recruitment process is being undertaken by Russell Reynolds Associates on behalf of Jersey Electricity plc. Please submit your full application by email to responses@russellreynolds.com. Please quote the role title and assignment code 2206-026L in the subject heading of the email. All applications will be acknowledged.

Please include your preferred email address for correspondence, which will be used with discretion.

Your submission should include:

- A short supporting statement of not more than two A4 sized pages explaining why this appointment interests you and how you meet the appointment criteria and competencies as detailed in the person specification.
- Your current CV with educational and professional qualifications and full employment history, explaining any gaps in your employment history, giving details where applicable.

Contact

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Appendix: The Board

Phil Austin MBE, Chair since 2019, having joined the Board as Non-Executive Director in 2016

Most of Phil's career was spent in banking with HSBC in London and Jersey where, from 1997 to 2001, he was Deputy Chief Executive of the Bank's business in the Offshore Islands. In 2001 Phil became the founding CEO of Jersey Finance, the body set up as a joint venture between the Government of Jersey and its Finance Industry, to represent and promote the industry at home and abroad. He is also Chair of Octopus Renewables Infrastructure Trust plc, a UK listed company.

Chris Ambler, Chief Executive Officer since 2008

Before being appointed Chief Executive, Chris previously held several senior international positions in the global utility, chemicals and industrial sectors for major corporations, including Centrica/British Gas, The BOC Group, and ICI/Zeneca.

Lis Iceton, Non-Executive Director since 2020

Lis has held a series of roles during 27 years with Accenture, most recently, in 2006-2009, as Managing Director for Public Service in Europe, Middle East, Africa and Latin America. She returned to Jersey in 2020 having retired from 10 years working as a Non-Executive for Her Majesty's Government; notably at the Ministry of Defence, Foreign Office, Home Office and UK Sport. During this period, she was a trustee of the Social Mobility Foundation and is now an Emeritus Governor of the London School of Economics and Political Science (LSE), having served a 10-year term as Governor. She also served as a non-Executive Director at Digital Jersey between 2012-2019.

Alan Bryce, Non-Executive Director since 2015

Alan is currently a Non-Executive Director at NIE Networks Ltd and Northumbrian Water Ltd., and an adviser in the utility industry. Until recently, he was Chair of the wind-farm developer Viking Energy and is a former Non-Executive Director of Scottish Water, Infinis Energy plc and Iberdrola USA. Before 2010, Alan held several senior positions at Scottish Power, including Managing Director of Energy Networks and Managing Director of Generation.

Wendy Dorman, Non-Executive Director since 2016

Wendy has over 25 years' experience in taxation gained both in the UK and the offshore environment, working both in practice and in industry. In 2001 she moved from London to Jersey and she led the Channel Islands tax practice of PwC until June 2015. She is a non-Executive Director of 3i Infrastructure plc and CQS New City High Yield Fund Limited, both listed companies.

Tony Taylor, Non-Executive Director since 2017

Born in Jersey, Tony has lived in the UK and Singapore and has worked with numerous blue-chip companies around the world. His career spans over 35 years in marketing and communications, having worked for three of the world's leading global advertising agency networks, in senior management roles. Most recently, Tony was Regional Director at J Walter Thompson, part of WPP plc. He is also a Non-Executive Director of Jersey Sport and Jersey Dairy.

Kayte O'Neill, Non-Executive Director since 2022

Kayte is Head of Markets for the ESO, accountable for designing and facilitating markets to enable future operation of Great Britain's electricity system on the path to net-zero. Kayte joined National Grid PLC in 2002 and has held a wide variety of senior roles across the business, most recently as Head of Strategy and Regulation, focusing on setting the strategic direction for the ESO and designing and implementing business models and regulatory frameworks to deliver customer value and enable strategic growth. Prior to that, she spent three years in Boston with National Grid's US electricity distribution businesses. Kayte is also a non-Executive Director on the Board of Regen.