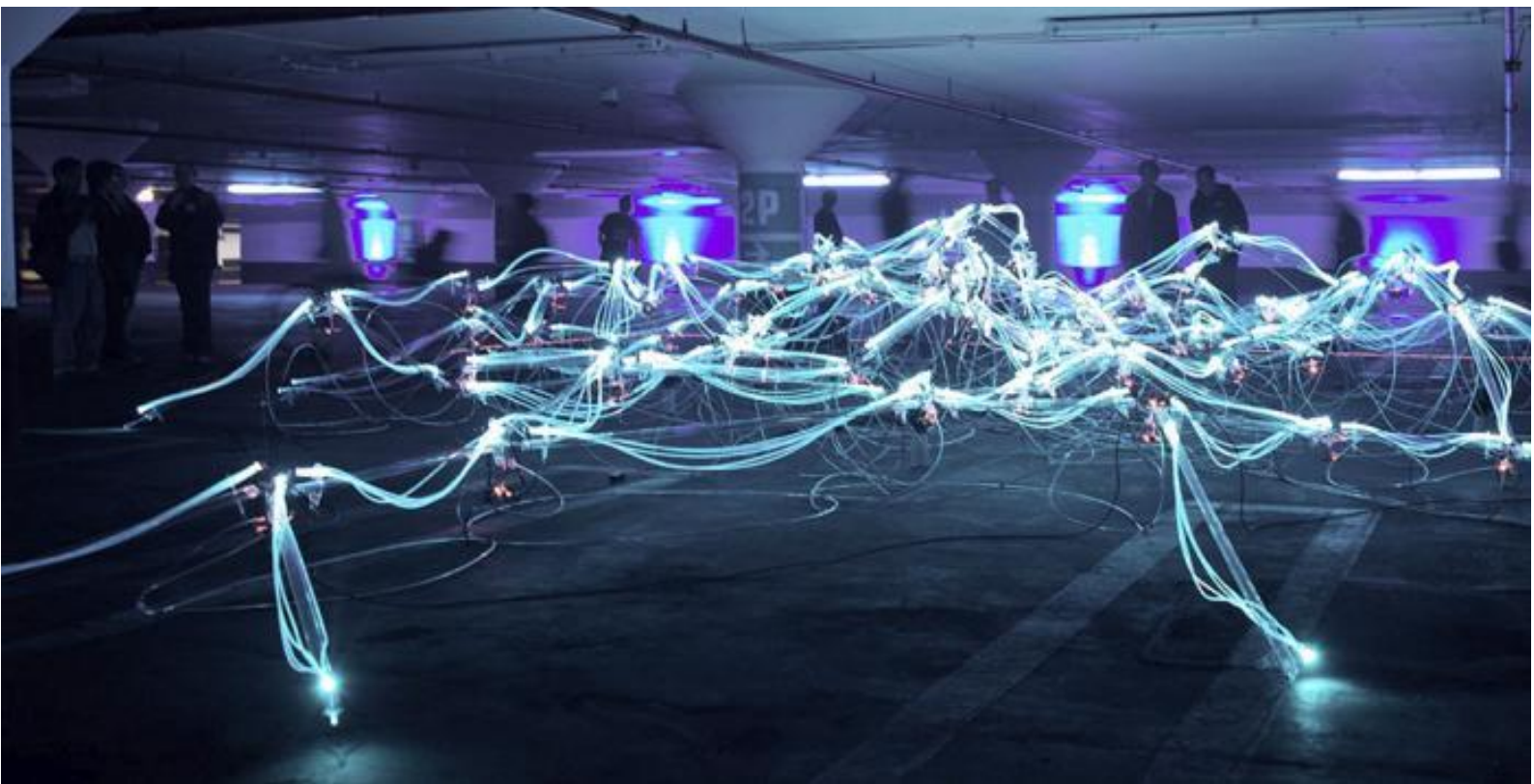


Assignment Brief for Non-Executive Director

National Grid ESO
Chair of the Audit and Risk Committee



Foreword

We are at a pivotal point in ensuring Britain's energy system is secure and affordable as well as forging the path to a sustainable future for everyone across the country. Unparalleled change is needed across the whole system to transition away from fossil fuels and deliver clean, green affordable energy for all.

Traditionally, Britain's energy system has been split into two areas – gas and electricity – but to deliver this transformation there needs to be co-ordination across the whole energy system, with one single entity responsible for translating policy into immediate strategy. The Government is, therefore, establishing the National Energy System Operator (NESO) this October as an independent, government-owned body with responsibilities across both electricity and gas systems, to drive progress towards net zero whilst maintaining energy security and minimising costs for consumers. This is part of one of the five Central Missions the new Government has set out, and key to delivering a net zero electricity network by 2030.

NESO will be founded on some of the existing roles and capabilities of the electricity system operator, currently owned by National Grid, and some roles and capabilities of the National Gas system operator. It will therefore involve a transfer of ownership and transformation to create the new organisation. This will mean managing a major piece of Critical National Infrastructure and taking a whole system approach across electricity, gas and other emerging markets (such as hydrogen, and carbon capture, usage and storage).

As we build the governance of this new body, we are seeking a new board member who will act as the first Chair of the Audit & Risk Committee, ensuring robust scrutiny of risks and controls across all aspects of NESO activity as it establishes itself at the heart of the UK's energy system. This person will be a key player in driving the organisation's overall mission, values, and strategic direction. If you are excited by this opportunity, and have the skills and experience we are seeking, I would be delighted to hear from you.



Dr Paul Golby CBE
Chair, National Energy System Operator

The Organisation

At National Grid ESO, our mission is to meet the challenges of the future and deliver cleaner, affordable electricity. We constantly strive to do this better by using technology and innovation to transform the way we work.

Becoming the National Energy System Operator (NESO)

The Government and Ofgem have asked the ESO to take on new roles and responsibilities. Becoming the National Energy System Operator is a critical step to help deliver a reliable and clean energy transition for all. The NESO additional roles with a whole energy system mindset to drive progress towards net zero while maintaining energy security and minimising costs for consumers.

The new organisation will be set up as a public corporation with operational independence from government – bringing parties together to support optimised decision making and action. The NESO will be licenced and regulated by Ofgem through price control agreements. It is anticipated that the new organisation will be up and running in 2024.

The time to act on climate change is now. As part of our team, you won't just be touching the lives of almost everyone in Great Britain – you'll be shaping the way we use and consume energy for generations to come. We invite you to be an integral part of this transformative journey, where every action contributes to a sustainable future for everyone.

Who We Are

As the NESO we will be at the forefront of the energy industry's transformation. Our commitment to our values is unwavering, whether we're collaborating with colleagues or engaging with consumers, customers, and stakeholders.

Our Values

Accelerate Progress: We deliver better outcomes at pace when we take accountability, are courageous and progress the bigger picture.

Be Curious: We achieve more when we demonstrate a growth mindset, being curious, asking questions beyond and within our organisation to develop, learn and innovate.

Create Belonging: We perform at our best when we can be our true selves, embrace diversity and are truly inclusive.

Build Trust: We build trust when we listen to and understand the needs of our colleagues, consumers, customers and stakeholders, are transparent with our actions and deliver on our commitments.

Our Purpose

Forging the path to a sustainable future for everyone.

Our Vision

A future where everyone has access to reliable, clean and affordable energy; our work will be a catalyst for change across the global community.



Our Culture Definition

We are an inclusive, progressive, and purpose-driven organisation that is focused on delivering great outcomes at pace. We embrace curiosity to learn and adapt, conscious of the impact of our actions. We have built a culture of trust, respect and collaboration with our colleagues and customers that is deeply rooted in our values.



The Role

Context

The Board is instrumental in setting the strategic direction for the Energy System Operator (ESO) through its ongoing evolution and the broader transformation of the energy sector. While the Executive Committee manages daily operations, the Board's focus is on strategic oversight, including the formulation and execution of long-term business strategies, objectives, and plans.

The imminent transition from the ESO to the National Energy System Operator (NESO) is one of significant and complex change for the organisation.

Position Overview

The incoming Non-Executive Director (NED) will help in establishing the new NESO business and its Board. This individual should build strong relationships with the Chair, fellow Non-Executive Directors, and Executive Directors, fostering a culture of transparency and effective communication.

The NED will help the business navigate heightened political, industry, and public scrutiny, including managing increased risks and ensuring robust assurance over new processes and systems. The ability to handle complexity and ambiguity will be important given the fast-paced and changing environment. The NED must also have the ability to think and challenge strategically, whilst being comfortable exploring the critical details as and when appropriate.

Finally, the NED will be expected to support the organisation's mission, values, and strategic direction, while ensuring that the organisation's activities uphold the highest standards of ethical conduct and accountability.

Board Composition

The Board is composed of a dynamic mix of individuals, each bringing a wealth of experience and a commitment to excellence in governance and strategic oversight. Please see Appendix 1 for an overview of the current ESO Board of Directors and Appendix 2 for the appointment of Paul Golby as Chair Designate of the NESO Board of Directors.

Principal Accountabilities

The NED will have a number of key responsibilities:

- **Strategic Oversight:** Offer independent and informed perspectives on NESO operations, infusing the Board with external expertise and insights on governance, as well as boardroom best practices. Contribute to long-term business strategy, aligning with NESO's mission amid significant change. Work closely with the Executive Committee to set strategic priorities, monitor industry trends, and adapt strategies to evolving market and regulatory landscapes. Emphasise innovation and sustainability in strategic planning.
- **Chair of the Audit and Risk Committee:** As Chair, lead the Audit and Risk Committee with a clear understanding of its duties and responsibilities, ensuring robust scrutiny of risks and controls across all business aspects. Establish and maintain high standards of governance, oversee the development of new processes and systems, and ensure compliance with regulatory requirements. Ensure independent assurance on the adequacy of internal controls and risk management frameworks.

- **Strategic Evaluation:** Assess significant strategic initiatives, leveraging their unique expertise to input into Board decision-making. Ensure that board decisions are informed by diverse perspectives and rigorous analysis, while remaining aligned with long-term organisational goals.
- **Management Support:** Act as a sounding board for the CEO, CFO and other Executive Directors, offering insights on complex issues and strategic dilemmas. Facilitate open communication and foster a culture of accountability and continuous improvement.
- **Performance Accountability:** As part of the Board, hold management accountable for the NESO's financial and operational performance, ensuring the achievement of business plans and stakeholder interests. Regularly review performance metrics, financial reports, and operational updates to ensure that the organisation meets its strategic objectives. Provide constructive feedback and challenge management on performance and strategy execution.
- **Governance and Compliance:** Uphold the highest standards of governance and regulatory compliance, ensuring the NESO's strategies and operations align with legal and regulatory frameworks.
- **Stakeholder Engagement:** Represent NESO to key stakeholders, including regulators, industry bodies, and government entities, as needed. Build and maintain strong relationships with external stakeholders, advocate for the organisation's interests, and ensure that stakeholder perspectives are considered in board deliberations. Promote transparency and trust in all stakeholder interactions.



The Candidate

The candidate will be independent-minded, possess integrity, and build a respectful relationship with other Board members. They should have the capacity to analyse complex information and share best practices when appropriate.

To ensure a well-rounded Board, we seek candidates who possess the following qualifications and experiences:

- **Relevant senior board experience:** We expect candidates with a track record of shaping the strategic vision of an organisation and its development, ensuring high quality corporate governance, and setting positive organisational cultures.
- **Qualified Accountant:** The ideal candidate should hold a professional accounting qualification, such as ACA or an equivalent.
- **Strong Leadership:** We value candidates with robust leadership experience, especially in complex and fast-paced organisations. Their strategic mindset and ability to navigate intricate business landscapes are crucial, while demonstrating the ability to challenge in an effective manner. Resilience to external scrutiny and political and/or institutional pressures will be needed, as the ESO transitions from private to HMG ownership.
- **Energy Sector Understanding:** While familiarity with the energy sector is a plus, it is not essential. The ESO is happy to consider candidates from other industries, with the right background and experience.
- **Risk Management:** Extensive experience in risk management, and in identifying, assessing, and mitigating risks associated with organisational expansion, new processes and systems. Proven ability to develop and implement comprehensive risk management frameworks, ensuring robust oversight and control mechanisms. Capability to balance risk-taking with innovation and growth, ensuring the NESO's resilience and adaptability.
- **Independence:** Candidates must maintain independence and have no conflicts of interest.
- **Stature and Confidence:** The successful candidate will command the respect and confidence of the NESO Board and leadership and other stakeholders, including government, regulators and the industry.
- **Independent Thinking:** We seek individuals with sound judgment, emotional intelligence, and the capacity to encourage and constructively challenge under scrutiny. An open and straightforward communication style is vital.
- **Ethical Standards:** Commitment to the adherence of the Seven Principles of Public Life – selflessness, integrity, objectivity, accountability, openness, honesty, and leadership.

The Terms of Appointment

Remuneration

In addition to reasonable travel expenses, the appointed Non-Executive Director will receive a compensation of circa £40,000 annually, which is inclusive of the chairing the Audit & Risk Committee.

Board Meetings

The Board convenes approximately eight times per year, generally in person, at one of the business locations (London, Wokingham, Warwick, Glasgow). Ad-hoc meetings will be arranged (in-person or virtual) as required.

Committee Membership

In addition to Board duties, the NED will serve on one or more Board Committees, including Chair the Audit and Risk Committee. Meetings of the Committees may be virtual or in-person with time commitment dependant on the Committee, but generally expected to include quarterly meetings at a minimum.

Appointment Term

The term of appointment is typically three years, with the possibility of extension, subject to Board approval and performance review.

Application Process

The recruitment process is being undertaken by Russell Reynolds Associates on behalf of National Grid ESO. Please submit your full application by email to responses@russellreynolds.com. Please quote the role title and assignment code **2407-074L** in the subject heading of the email. All applications will be acknowledged. **The closing date for applications is 23:59 on Tuesday 27th August 2024.**

Your submission should include:

- A **CV** setting out your career history, with key responsibilities and achievements. Please ensure you have provided reasons for any gaps within the last two years.
- A **Statement of Suitability** (no longer than two pages) explaining how you consider your personal skills, qualities and experience provide evidence of your suitability for the role, with particular reference to the criteria in the person specification.
- A completed [Diversity Monitoring Form](#). We strive to do the right thing and find a better way through listening to the needs of our customers and our employees. We offer inclusion and diversity training for all of our employees, with a view to building an inclusive working environment and offering the opportunity for development.

Please submit all documents so that the panel will have all the required information on which to assess your application against the criteria in the person specification.

Indicative Timeline subject to change

Milestone	Date
Closing Date for Applications	27 th August
<i>Presentation of prospective candidates to agree longlist</i>	<i>w/c 9th September</i>
RRA conducts in-depth interviews with longlisted candidates	16 th September to 4 th October
<i>Presentation of prospective candidates to agree shortlist</i>	<i>w/c 7th October</i>
Potential Fireside conversations with relevant stakeholders	w/c 14 th October
Final Panel interviews	w/c 21 st October

If you wish to speak with someone before submitting an application, please contact responses@russellreynolds.com.

Please note that due diligence will be carried out on shortlisted candidates. Candidates should expect this to include searches of previous public statements and social media, blogs or any other publicly available information.

Appendix 1

The Current ESO Board¹

Fintan Slye - Chair of the NGESO Board



Fintan Slye is Director of the ESO and Chair of the Board. He joined the ESO in 2018. Prior to this he was CEO of the EirGrid Group, the electricity system and market operator in Ireland and Northern Ireland. He has previously worked for McKinsey & Company and ESB Group.

Fintan is both a Fellow of the Institute of Engineers Ireland and the Energy Institute. He holds a Masters in Engineering Science and an MBA from University College Dublin.

Hannah Nixon - Independent Non-Executive Director



Hannah has extensive experience in economic regulation, most recently as Chief Executive Officer of the Payment Systems Regulator (PSR).

She has been a member of several advisory boards, including the Government Economics Service, the ORR advisory panel and water regulator Ofwat's Future Regulation advisory panel.

Hannah currently sits on the board of the Channel Islands Competition and Regulatory Authority (CICRA).

Paul Plummer - Independent Non-Executive Director



Paul is an experienced business leader and strategic thinker now working as Professor of rail strategy at the University of Birmingham and a Non-Executive Director in the housing and energy sectors. Until recently he was CEO of the Rail Delivery Group (RDG) and Association of Train Operating Companies. Prior to that he was on the Board of Network Rail where responsibilities included the system operator activities. His earlier

career spanned the regulated utilities as an economist and adviser working for governments, companies and regulators.

¹ [Meet the ESO Board](#)

Kayte O'Neill - Chief Operating Officer



Having been appointed as COO in January 2024, Kayte oversees ESO's delivery across energy networks and markets and the real time operation of the electricity transmission system. As the ESO transitions to become 'Future System Operator' (FSO) in Summer 2024, Kayte's focus is on building and embedding a 'whole system' approach to the strategic planning and delivery of GB's energy transition.

With more than 20 years of experience in the energy sector, Kayte was most recently accountable, on behalf of ESO, for the design and delivery of the FSO. She has previously led the Strategy and Markets teams and spent three years in Boston with National Grid's US electricity distribution businesses.

Kayte is a Non-Executive Director on the Board of Jersey Electricity.

Janice Crawford - Independent Non-Executive Director



Janice Crawford is a Chartered Engineer and has had a career stretching from an apprentice in a Glasgow shipyard (where she was the first female apprentice in a British shipyard) to executive and board posts for international engineering and project delivery companies. She is a Fellow of the Institution of Mechanical Engineers and became a Fellow of the Royal Academy of Engineering in 2013.

Janice has worked in diverse international companies in the petrochemical, oil and gas, LNG, mining and pharmaceutical related industries, and up until April 2022, Janice was the Director Global Capital Projects for Johnson Matthey, the FTSE 100 global science and chemical company. Janice also served as a Non-Executive Director of the Health and Safety Executive Board for five years.

John Linwood - Independent Non-Executive Director



John has held senior technology roles in Microsoft and Yahoo and was formerly Chief Technology Officer at several companies including BBC and Wood Mackenzie.

He has been a NED of both FTSE and AIM listed companies since 2012 and is currently on the Board of Brooks Macdonald, an AIM listed Wealth Management company where he is also chair of the Remuneration Committee. He is also Strategic Technology Advisor to the UK Ministry of Defence.

Zoe Morrissey - Legal Counsel



Zoe is an experienced energy and regulatory lawyer having spent 10 years advising a number of the UK National Grid business units. Prior to that she worked at Ofwat as a legal advisor and in 2008 qualified as a solicitor in private practice specialising in competition and procurement law.

Claire Favier-Tilston - Non-Board Company Secretary



Claire, is a Chartered Secretary, with over 15 years' experience as a governance and compliance professional. Providing corporate governance advice and support to a range of PLC and Private Boards and Committees within a wide variety of commercial and charitable organisations.

Appendix 2

Appointment of Dr Paul Golby²



- Dr Paul Golby announced as the National Energy System Operator's (NESO) inaugural chair, overseeing the transition from the National Grid's Electricity System Operator.
- NESO will play a vital role in supporting the UK's energy security, the transition to net zero and minimising bills.
- Dr Golby will begin as chair-designate on 6 May, ahead of NESO's creation this summer.

Dr Paul Golby CBE is today confirmed as the first Chair of the National Energy System Operator (NESO).

NESO will be the new independent public body responsible for planning and operating Great Britain's electricity and gas networks.

Soon to transition from the National Grid to public ownership, NESO will play a vital role in supporting the UK's energy security, transition to net zero and minimising customers' bills. In his role as chair, Dr Golby will help establish NESO as a trusted, expert body at the centre of the energy system.

He will take up his post on 6 May and oversee the creation of the new body. Once fully established later this year, he will take up appointment as the Independent Chair of NESO.

Dr Golby brings extensive experience to the new role - most recently serving as Chair of the National Air Traffic Service. He is the former CEO of E.ON UK and was previously Non-Executive Director and Chair of the Safety, Environment and Health Committee at National Grid. He is also recognised for his contributions to the engineering field as a Fellow of the Royal Academy of Engineering.

² [Gov.uk - Dr Paul Golby confirmed as new energy system operator chair](#)

Appendix 3

Board Dates for 2025

Weekday	Day	Month	Meeting	Location
Thursday	23	January	Committees/Engagement/Dinner	London
Friday	24	January	NESO Board	London
Monday	17	March	Committees/Engagement/Dinner	Wokingham
Tuesday	18	March	NESO Board	Wokingham
Tuesday	20	May	Committees/Engagement/Dinner	Glasgow
Wednesday	21	May	NESO Board	Glasgow
Thursday	19	June	Strategy Deep Dive	TBC
Friday	20	June	Strategy Deep Dive	TBC
Tuesday	15	July	Committees/Engagement/Dinner	London
Wednesday	16	July	NESO Board	London
Tuesday	23	September	Committees/Engagement/Dinner	Wales
Wednesday	24	September	NESO Board	Wales
Tuesday	21	October	Risk Workshop	Warwick
Tuesday	18	November	Committees/Engagement/Dinner	Warwick
Wednesday	19	November	NESO Board	Warwick