Management Board minutes

23 January 2023

Details of attendees are provided at the end of the minutes.

1. Introductions and apologies

1.1. John Edwards welcomed Rob Holtom to his first Board meeting as Executive Director (Digital, Data and Technology) and congratulated Stephen Bonner and Emily Keaney on their recent appointments to the roles of Deputy Commissioner (Regulatory Supervision) and Deputy Commissioner (Regulatory Policy) respectively.

1.2. There were no apologies for absence.

2. Declarations of interests

2.1. Tracey Waltho reported that she had started a new role at the Citizens' Advice Bureau. The Board congratulated Tracey on this role.

2.2. Jeannette Lichner reminded the Board that she sat on the Board of the Financial Conduct Authority, which was also a member of the Digital Regulation Cooperation Forum (DRCF).

3. Matters arising from the previous meeting

Minutes

3.1. The minutes of the previous meeting had been approved as a correct record. Jeannette Lichner asked whether actions were also in place to deliver the leadership culture changes needed to deliver PACE teams. Jen Green confirmed that she would provide updates on this through the Portfolio dashboard report to future meetings.

Actions

3.2. All actions from previous meetings had been completed.

4. Discussion items

4.1. **ICO 25 – progress update**

4.1.1. Jen Green provided an oral update on progress to date in delivering ICO 25, with a particular focus on the Target Operating Model (TOM), which Executive Team would be

reviewing later that week for approval. The TOM provided an overview of the overall transformation programme to deliver ICO 25, as well as a detailed reference manual on how each part of this programme would be delivered.

4.1.2. Jane McCall explained that the People Committee would also consider the draft High Performance strategy, which would address capacity and capability in support of the TOM. She explained that this strategy would come to the Board in March.

4.1.3. The Board highlighted the significant benefits to date of internal and external feedback into ICO 25 and the TOM and emphasised the need to continue this approach. The Board also discussed the areas of existing or potential skills gaps in the organisation, with a particular focus on technology and legal roles. The Board also commented on the importance of and inherent challenges in delivering cultural change to support the delivery of ICO 25.

4.1.4. The Board asked for clarification regarding whether progress would be aligned across all projects to deliver the TOM, or whether each project would progress at their own pace. It was confirmed that each part of the TOM would progress at its own rate, rather than projects being held back to prioritise alignment. Progress updates would be provided to subsequent meetings.

ACTION: Jen Green to provide the Board with regular updates on progress with delivery of the TOM. Due date: first report 20/3/23, ongoing thereafter.

4.2. **Digital Regulation Cooperation Forum (DRCF): performance stocktake**

4.2.1. Stephen Almond presented a report providing the Board with an overview of the performance of the DRCF and seeking perspectives from the Board on its future development. He also provided an overview on the approach to managing the bilateral relationships with each of the DRCF regulators.

4.2.2. The Board particularly discussed the alignment of the objectives of each of the individual regulators and the potential challenges that the different statutory requirements and accountability regimes of each regulator

had in potentially limiting cooperation. The Board received assurance that these issues were actively identified and managed between the regulators.

4.2.3. The Board also discussed the importance of ensuring a clear shared purpose and demonstrating to the public the impact that DRCF was having, as well as how to ensure sufficient resources and a collaborative approach to DRCF to enable delivery of this purpose.

4.2.4. John Edwards thanked the Board for their helpful input into the important work of the DRCF.

4.3.   **ICO governance reform update**

4.3.1. John Kavanagh presented a report providing an update on progress on the governance reform of the ICO, arising from the Data Protection and Digital Information Bill (DPDI), as introduced to Parliament on 18 July 2022.

4.3.2. The Board particularly discussed the timeline for passage of the DPDI and potential implications of any further slippage in the timeline, particularly in the context of future general elections and John Edwards' term as Information Commissioner.

4.3.3. The Board also discussed the work which the ICO would need to complete to support the transition to the new proposed governance structure, particularly in relation to regulatory decision-making, both in terms of understanding for Board members and for ICO staff. They commented that it would be useful to start work on this well in advance of the transition. The Board was assured that Regulatory Committee would be heavily involved in this.

4.3.4. The Board also commented that it would be important to ensure contingency plans were in place should the DPDI not progress through Parliament, and that accurate communication of the proposed organisational changes would be vital to ensure that there was no negative reputational impact for the ICO's current or future work.

4.3.5. The Board agreed that it would also need further information regarding the proposed updated roles and responsibilities for Board members. The Board agreed that it would be useful to convene a small working group of the

Board to discuss this in detail initially, ensuring this includes the newer Non-Executive Directors (NEDs).

ACTION: John Kavanagh to convene a working-group of the Board to discuss governance reform, ensuring this includes newer NEDs. Due date: Membership agreed, and initial meeting dates identified by 20/3/23

5. Performance reports

5.1. **ICO 25 Dashboard**

5.1.1. Jen Green presented a report providing the Board with assurance on the performance reporting for delivery of the ICO 25 portfolio. She focused on the areas where timelines were not to profile. These were primarily delayed due to resourcing challenges, which was expected to continue to be the most significant risks of the portfolio. The Board asked for and received assurance that the timescales for delivery of each of the projects was realistic.

5.1.2. The Board discussed progress in achieving organisational KPIs, particularly in relation to casework, and received assurance that performance should be closer to the KPIs by year end, especially in relation to the backlog on Freedom of Information casework.

5.1.3. The Board thanked Jen and her team for the detail in the report and provided feedback on the format to ensure that future reports provided the Board with as much value as possible. The Board recognised the complexity and scope of the ICO's remit. Given the scope of work, they emphasised the need for a covering report which summarised overall progress and identified key areas for the Board's consideration or intervention.

5.1.4. The Board received assurance that more time would be allocated to these reports at future meetings to allow further discussion, and deep dives would be provided into specific projects where there were particular challenges or particular successes. The Board also commented that it would be useful to have some high level information on the objectives, risks and expected impact of each project within the portfolio.

ACTION: Jen Green to update the format of the ICO 25 dashboard reports for future meetings, in line with the Board's comments. Due date: 20/3/23

ACTION: Jen Green to provide deep dives on particularly challenging or successful projects to future meetings. Due date: Ongoing from 20/3/23

6.   Update from Audit and Risk Committee Chair

6.1.   Ailsa Beaton provided an oral update on matters considered by the Audit and Risk Committee at its meeting on 17 January 2023, which had included annual reviews of the Business Continuity Strategy and the Risk Management Policy, ransomware preparedness, preparations for the annual report and financial statements, and internal audit delivery.

6.2.   She also provided an update on the Committee's involvement in UKRN's Next Generation NEDs programme. The Board welcomed the news that further participants of the programme would be observing the Audit and Risk Committee and People Committee for the next year.

6.3.   She highlighted to the Board that the annual review of the ICO's risk appetite would take place at the Board's next meeting.

7.   Finance

7.1.   **November income and expenditure report**

7.1.1.   Angela Donaldson presented a report setting out the November 2022 management accounts. She also provided an oral update on the December month-end position, which had been finalised since circulation of the papers. There had been a reduction in the budget deficit from November to December, in part due to a new approach to prioritising recruitment and further reforecasting of expenditure.

7.1.2.   The Board received assurance that DCMS had been aware of the forecast budget deficit throughout the financial year and the ICO expected to either receive additional contingency funding or permission to use reserves to cover this deficit.

7.2.   **Financial scenario planning for 2023/24**

7.2.1.   Angela Donaldson presented a report which gave the Board an overview of the scenario planning which will inform the

budget for 2023/24, ahead of the budget being brought to the Board for approval in March.

7.2.2. The Board discussed the scenario planning and commented that they were not fully comfortable with the proposals to use reserves to fund transformation projects during 2023/24, as they had not received information of the ongoing efficiency savings that these transformation projects would deliver. The Board noted that the ICO would need to fund this transformation work from reserves and efficiency savings may not be realised from these in 2023/24. The Board requested to be provided with information on longer-term financial planning, to give them assurance of the efficiency savings and ongoing financial sustainability beyond 2023/24 which the transformation projects would deliver. The Board would need this information before it was able to support use of reserves to fund this transformation work. The Board also requested that they also receive information on current and future expected staffing figures, given the proportion that staffing accounted for in the ICO's budget.

7.2.3. The Board also discussed work that was ongoing to maximise data protection fee income and further modelling that may be needed to reflect a worst case economic situation, which could have a more significant impact on fee income than included in the scenarios presented. The Board also noted that if there were significant changes to the data protection fee model, this may have an impact on the number of organisations paying the fee even before any changes came into force.

ACTION: Angela Donaldson to provide the Board with the budget for 2023/24, along with a revised scenario to include a worst-case economic impact on fee income. Due date: 20/3/23

ACTION: Angela Donaldson and Sarah Lal to provide the Board with the medium term workforce plan, detailing staffing projections, with corresponding updated medium-term financial plan. Due date: 20/11/23

7.2.4. The Board also commented that it would be useful to schedule discussions regarding future financial strategy in autumn in future years, to allow more time for planning.

ACTION: Corporate Governance to schedule reporting on future financial strategy in autumn each year. Due date: 20/11/23

7.3. **Review of Data Protection fee model**

7.3.1. Louise Byers presented a report giving the Board information on the work to be undertaken to review the fee model, along with information on the interrelationships with the progress of the DPDI.

7.3.2. The Board particularly discussed the link between organisations paying the data protection fee and organisations' awareness of their data protection responsibilities, which was key in continuing to deliver high standards of data protection practices across the whole economy. The Board highlighted the importance of the fee being at an appropriate level for all organisations, based both on their size and their level of data protection risk, while still keeping the fee structure simple.

7.3.3. The Board also discussed whether it would be possible and beneficial for all fees to be due for payment at the start of the financial year to assist in financial planning and the potential to secure automatic inflationary increases to the fee. The Board also emphasised the importance of public sector organisations continuing to be required to pay the fee.

7.3.4. The Board commented that it would be useful to receive scenario planning on potential changes to income based on different updates to the fee model as part of budget setting discussions.

7.3.5. The Board received assurance that the ICO and DCMS were working collaboratively across this workstream and the DPDI workstream.

8. Any other business

Equality, Diversity and Inclusion (EDI) training for NEDs

8.1. Paul Arnold and Nicola Wood explained EDI training would be arranged for all NEDs. This was planned to be a half-day session,

arranged around a Management Board meeting either in May or July. The Board welcomed this proposal and noted that this session would require in person attendance from all Board members.

Executive Team structure to deliver Target Operating Model

8.2.   Paul Arnold informed the Board that a report would be submitted to People Committee the following week setting out proposals for Executive Team structure to deliver the TOM, ahead of consultation on the overall organisational design structure.

Attendance

Members

Ailsa Beaton	Non-executive Director
David Cooke	Non-executive Director
Emily Keaney	Deputy Commissioner (Regulatory Policy)
Jane McCall	Non-executive Director
Jeannette Lichner	Non-executive Director
John Edwards (Chair)	Information Commissioner
Nicola Wood	Senior Independent Director
Paul Arnold	Deputy CEO and Chief Operating Officer
Peter Hustinx	Non-executive Director
Ranil Boteju	Non-executive Director
Stephen Bonner	Deputy Commissioner (Regulatory Supervision)
Tracey Waltho	Non-executive Director

Attendees

Angela Donaldson	Director of Finance (for item 7)
Claudia Berg	General Counsel
Jen Green	Executive Director (Strategic Change and Transformation)
John Kavanagh	Director of Governance Transition
Louise Byers	Director of Corporate Planning, Risk & Governance
Rob Holtom	Executive Director (Digital, Data and Technology)
Stephen Almond	Director of Technology, Innovation and Enterprise (for item 4.2)

Secretariat

Christopher Braithwaite	Corporate Governance Manager (secretariat)
Fiona Wilcock	Corporate Governance Officer