

Meeting: Management Board

Date: 21 September 20

Agenda item: 6

Time: 10 Minutes

For approval

Presenter: Paul Arnold

Topic: Capacity and Capability Plan

Reason for report: Earlier in the year we took an action to refresh our three-year Resource and Infrastructure Plan with a new Capacity and Capability Plan. This work was progressed and had been due to come to Board in May. However, this was paused at the last moment to allow the work to take full account of the impact of Covid as well as the emerging direction of our constitutional review and the Government's Data Strategy.

Purpose of report: This has now been done and the attached plan is now coming to Management Board for scrutiny and sign off once the Board is comfortable with the priorities and associated actions. From there the progress towards completion of the actions will be tracked and reported to Management Board every four months.

Publication considerations: This report can be published internally and externally.

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List of Annexes: Annex A – Capacity and Capability Plan – 2020 to 2024

Capacity and Capability Plan - 2020 to 2024

Introduction and Context

The ICO has made significant progress in meeting the challenge of a rapidly changing economic, political, technological and societal landscape. Through our ongoing transformation programme in response to the significant upgrade to our remit and powers in May 2018, we have focused on meeting our responsibilities to both the public and the organisations we regulate.

We have done this by rapidly increasing the capacity and capability of the ICO and putting in place the infrastructure to continue to develop our resources, skills and operating model in response to an ever-evolving regulatory environment. But as we pass two years since the significant upgrade to our remit and powers, we must continue to accelerate our transformation plans to achieve our ultimate capacity and capability objectives.

Importantly, as referenced in the ICO's Management Agreement with DCMS since 2017, the ICO now has a statutory duty to have regard to the desirability of promoting economic growth when undertaking its functions. This 'growth duty' came into statutory effect on 29 March 2017 under the [Deregulation Act 2015](#).

We have since made good progress introducing a range of new services to support and promote privacy safeguards as a foundation to innovation and economic growth. There is however much more progress we want to make to develop this element of our remit in addition to meeting demand for our more long-standing statutory responsibilities.

This capacity and capability plan therefore supports the ICO to continue to develop a broader, more diverse and balanced range of upstream and downstream regulatory services against the backdrop of the UK's withdrawal from the EU and recovery from the early impact of Covid-19. It sits alongside and enables the delivery of our Information Rights Strategic Plan and describes how we will meet our future challenges. It sets out how we'll ensure we have the right culture, people, processes and infrastructure in place to deliver against our strategic objectives and clearly defined priorities.

Our plan is focussed on what we want to achieve to deliver three key strategic goals. Integral to each goal are our values of ambition, service

focus and collaboration, ensuring that efficiency and high levels of productivity are fundamental to the success of the ICO with our progress clearly measured and reported. We will also continue to benchmark our work and look for new developments and good practice to ensure we continuously improve. Our capacity and capability goals are to have:

- Infrastructure that enables us to operate effectively, responding to the views and needs of our customers and stakeholders and developments in the external environment.
- Systems and processes that support the effective and efficient delivery of our services to our customers and stakeholders.
- An organisational culture built around people with the right skills and experience, which meets the needs of our customers and stakeholders.

The all-important actions to achieve these goals are set and reviewed for a rolling 18 month period to ensure our delivery will be iterative and agile, able to learn from our experience and continuously respond to a changing external environment and the needs of our customers and stakeholders.

Goal # 1 To have the infrastructure that enables us to operate effectively, responding to the views and needs of our customers and stakeholders and developments in the external environment

To achieve this, we have identified the following strategic priorities:

Digital, Data and Technology - having the technical tools, skills and techniques to support the effective and efficient delivery of our services to our customers and stakeholders

We will use the best technology has to offer to develop our systems to produce great outcomes for our customers.

We will develop our data and knowledge services, to ensure our teams have access to the right insight and information, leveraging our own data and information to target resources effectively in response to threats, risks or opportunities as they emerge on the horizon.

Actions:

Digital and IT Strategy - Deploy an updated Digital and IT strategy and associated road map, including implementation of an updated operating model - July 2021.

Data Strategy - Develop and implement an ICO Data Strategy, including the introduction of a new Intelligence Database and improved BI and MI infrastructure to better present intelligence and information to inform decisions and actions - July 2021.

ERP Systems - Implement new ERP system to recognise the end of the current contracts with HR and Finance systems - April 2022.

Knowledge Management Infrastructure - Review our KM infrastructure and systems to ensure new guidance, policy and regulatory decisions are able to be developed and effectively disseminated and communicated to ICO staff, with a clear road map for future development of our knowledge services – March 2021.

Resource deployment - able to rapidly flex and deploy our technical, physical and people resources to meet demand

We will prioritise based on the needs of our customers, stakeholders and our regulatory priorities, having the right balance of multi-disciplinary and technical/functional specialist resources and being able to surge the right capacity and capability onto emerging risks and opportunities which require action.

We will develop our programme and project approach, resourcing our regulatory priorities and our transformation agenda and setting up a Programme Management Office to ensure we continue to manage these programmes effectively and with clear Board level accountability for our most strategic transformation programmes.

Actions:

Programme Management - Establish a Project Management Office and dedicated programme and project roles for both regulatory and corporate activities. Initial Programme Management capacity to be increased by January 2021 and PMO to be fully operational - July 2021.

Surging Resources - Ensure that protocols and mechanisms are in place for deploying and surging resources to address priorities - January 2021.

Capacity Building - Identify and further opportunities for alternative delivery models, including the option to utilise or provide shared services and processes by March 2021. This to also include establishing a proportionate mix between functionally organised resources and more centrally deployed multi-disciplinary capacity - July 2021.

Communications, Engagement and Insight - Gathering insight from our audiences and stakeholders, developing the best ways to reach and engage with them

We will proactively communicate and engage with our internal and external customers and stakeholders, listening and sharing our knowledge, information and advice through a clear and consistent narrative and strategy.

We will embed our internal communications strategy to support colleagues to deliver the organisation's objectives, understand the connection between their job and the organisation's vision and support productivity and performance.

Actions:

Stakeholder Engagement Methodology - Establish updated stakeholder engagement strategy and management model through Communications and Engagement Board – October 2020.

Corporate Narrative - Deploy and fully operationalise corporate narrative complete with infrastructure to review and refresh quarterly - January 2021.

Stakeholder Perception - Establish a programme of stakeholder insight and perception research across the public, private sector, public sector, third sector, Government and consumers and use it to inform our regulatory priorities – April 2021.

Digital Communications - Development of digital solutions to enable greater engagement with colleagues across the organisation through modern internal communications infrastructure – April 2021.

Finances - having a funding model that is fit for purpose, sustainable and stable, allowing us to plan ahead and invest to deliver rolling three-year financial plans

We will continue to work to ensure that we have a funding model that meets our needs, as well as exploring innovative ways to fund our work.

We will continue to work with Government to ensure that our funding model supports the fair and proportionate funding of our services based on a risk-based approach aligned to our regulatory priorities. This potentially includes recovering costs where services benefit the few, rather than the many, and adopting a 'polluter pays' approach where appropriate.

We will make sure that our plans and budgets enable us to maximise the resources we put into proactive and 'upstream' work whilst delivering our statutory responsibilities.

Actions:

Funding Model - Develop proposals for cost recovery funding in all areas where this is appropriate – June 2021.

Government Grant in Aid - Ensure that suitably long-term Government funding is in place for our regulatory responsibilities funded separately to the DP fee income – December 2020.

Data Protection Fees - Make recommendations to DCMS on the fee tier system to ensure it is fair and proportionate – December 2020.

Goal # 2 To have the systems and processes that support the effective and efficient delivery of our services to our customers and stakeholders

To achieve this, we have identified the following strategic priorities:

Policy Methodology - supporting the development of iterative regulatory products and guidance in a modern, open and collaborative manner which reduce burdens on business, provide increased regulatory certainty and reduce risk for those we regulate

We will ensure strong citizen, consumer, business, staff and other stakeholder voices are present in our policy and guidance development. In doing so, we will understand the practical application of our policies and use an evidence-based approach to understand their impact on the economy, society and behaviour.

We will focus on maintaining the capability to produce co-regulatory tools and products wherever possible and ensure we have the capacity to bring forward products in a timely fashion.

We will be informed by a wide range of research, stakeholder contributions and insight, ensuring that the perspective and needs of our customers, stakeholders and colleagues are taken into consideration and that our approaches are as inclusive as possible.

We will routinely assess the impact and effectiveness of our policies and guidance, sharing lessons learned and re-evaluating where necessary. We

will refine them as we learn, taking account of their practical application and their effectiveness.

Actions:

Horizon Scanning and Research - Establish our Domestic Regulatory Strategy Directorate and with it an agreed research programme which, when linked with our intelligence and insight activities, develops positions on emerging regulatory risks and opportunities on the horizon - April 2021.

Policy Development Methodology - Review and update our policy development methodology, so that it is recognised as supporting the development of iterative regulatory products and guidance in a modern, open and collaborative manner which reduce burdens on business, provide increased regulatory certainty and reduce risk for those we regulate – April 2021.

Policy Profession - Ensure that the policy methodology is documented, agreed, and implemented with strong awareness and recognition across all members of the ICO's Policy profession and incorporates clear principles to guide our stakeholder consultation – April 2021.

Audience Awareness - Ensure that the policy methodology also supports the consistent development of guidance and advisory products which cover a full range of audiences, always including SMEs – April 2021.

Economic Analysis - Introduce Economic Analysis function – April 2021.

Impact Assessment - Introduce a clear framework for assessing impact of our guidance and upstream advisory services and the delivery of guidance and policy products - April 2021.

Risk and Governance - Working consistently, effectively and transparently guided by a clear risk appetite guiding decisions and actions in line with our complementary priorities to protect information rights, promote innovation and growth as well as be an employer of choice

We will have a constitution and governance structure that meets the needs of a modern, forward looking organisation and regulator.

We will continue to embed a strong risk management framework and process based on a robust three lines of defence to identify and manage

risks and opportunities in line with a clearly articulated risk appetite. This framework takes account of the effectiveness of our proposed regulatory interventions, the economic and wider regulatory impact on those who have to apply them and how we ensure that we have a suitably wide range of stakeholder input, with our views and approaches challenged and validated.

We will ensure our decision making and accountability mechanisms, both internal and external, are clear and well communicated and, as our remit continues to develop, there is a clear structure to the way we work, how decisions are made and what is expected of leaders and managers.

We will report the outcomes of our work, as well as what was done. This will include reporting against Key Performance Indicators to give our customers and stakeholders a clear understanding of our performance against our goals.

Actions:

Risk Appetite - Review the ICO's corporate risk appetite and embed it into decision making processes - March 2021.

Alignment - Align corporate and regulatory risk management practices, ensuring there is a clear and consistent approach to identifying, describing, scoring and mitigating risk – March 2021.

Prioritisation - With particular reference to upstream regulatory activity, fully embed the three harms model to ensure proactive regulatory priorities are fully aligned with our supervisory priorities - February 2021.

Decision Making - In addition to the existing scheme of delegation, publish a comprehensive organisational and decision-making chart for the ICO – January 2021.

Business Planning - Review the corporate and business planning process, making any necessary improvements to the efficiency of the process or to bring about increased clarity in the plans produced - February 2021.

Challenge Culture - Establish mechanisms to ensure a healthy challenge culture is promoted to underpin the reporting of progress and the recognition of performance and accomplishments, as well as ensuring there are mechanisms for wider input into decision making – February 2021.

Benchmarking - On an annual basis, scan the horizon for developments in the wider UK regulatory landscape. This will ensure the ICO is continually developing as a key UK regulator – May 2021.

Goal # 3 To have an organisational culture, built around people with the right skills and experience, which meets the needs of our customers and stakeholders

To achieve this, we have identified the following strategic priorities:

Our values, Equality, Diversity and Inclusion - driving cultural development based on the ICO values to ensure there is an inclusive sense of shared ownership for the success and direction of the ICO

We will continue to deliver our People Strategy, and embed the values of the organisation in everything we do, continuously listening to and engaging all ICO colleagues as the basis of the strategic transformation programme for our organisational culture.

We will take steps to maximise the diversity of views and thoughts which inform our decisions and actions as a regulator and employer. This means ensuring our workforce at all levels is as representative as possible of the customers *and* stakeholders we serve and represent. It also means adopting approaches which bring a diverse range of views, perspectives and challenge to our planning and decision making.

We will ensure the views and insights of our customers, stakeholders and all ICO colleagues are a key part of the future of the ICO as a highly productive and high performing organisation.

We will ensure that we maintain a healthy balance between the need for policies and rules to maintain high standards of legal compliance and providing our people with autonomy and control to work innovatively and creatively to further our goals and objectives.

Actions:

People Strategy - To ensure the completion of all remaining actions from our people strategy in line with agreed milestones - July 2021.

Policies and Procedures - Ensure we have the policies and procedures, with associated training and monitoring, which define the leadership and compliance culture for the ICO – December 2020.

Accountability - Take stock of our coaching and other personal development programmes to ensure their focus on the development of our accountability culture, promoting the taking of ownership and follow up at all levels of the ICO -April 2021.

Diversity - Agree appropriate targets for the diversity of the ICO workforce and develop action plans to achieve each - January 2021.

Transparency and Inclusion - Implement protocols to ensure ICO strategies, plans, decisions and daily working life benefit from as diverse a range of thoughts and perspectives as possible. These to include, but not be limited to: external stakeholder groups; our recognised Trade Unions; staff forum; ED and I networks and organisation wide feedback loops – January 2021.

Workforce and Organisation Development - growing the technical knowledge and expertise of our workforce to support our evolving regulatory remit and services

We will maintain and deliver detailed medium and longer term workforce and organisation plans. These will include ensuring we have the necessary skills, in particular in relation to technology, data science, cyber, economic analysis and research to deliver our plans. We will also increase our capacity and capability to take on complex studies and investigations. The workforce and organisation plans will inform how we will:

- Upskill and train staff, using a forward looking, ambitious programme of coaching and mentoring, as well as formal training, qualifications, apprenticeship programmes and professional development.
- Use fair and innovative methods to recruit staff to meet our needs, including secondment and apprenticeship programmes and the way we continue to address any recruitment or retention risks.

We will embed our Management and Leadership Development Programme to continue to ensure that ICO managers and leaders are capable and fully skilled to lead a dynamic and fast paced organisation.

Actions:

Workforce Planning - Refresh and validate our workforce planning methodology and plan in light of the priorities described in this Capacity

and Capability Plan - Draft to MB at its November 2020 meeting and finalised by February 2021.

Recruitment Infrastructure - To support the ambition for our capacity and capability described in this plan, review and make any necessary changes to our recruitment infrastructure to underpin the recruitment to fill vacancies with high calibre and diverse candidates in the required numbers - January 2021.

Job Evaluation - Implement a revised job evaluation scheme to ensure that technical specialist and people leadership responsibilities are recognised proportionately in line with ICO values when grading roles - April 2021.

Key Roles - Ensure that key roles identified as a priority are filled to allow the ICO to meet demand and provide strategic leadership and resilience - January 2021.

Productivity and Efficiency - Introduce a framework for targeting and measuring progress towards productivity and efficiency improvements which represent increasing value for money - April 2021.

Priority Programmes - Maintain a framework for identifying and assigning resources to priority programmes of work quickly and effectively to ensure that key workstreams and programmes are resourced efficiently - December 2020.

Government Spending Review - Ensure a plan is in place to respond to the outcome of the 2021-4 Spending Review, to develop the capacity and capability to deliver the agreed bids - December 2020.

Leadership Development - Ensure all ICO Managers and Leaders have a leadership development plan in place, agreed with their line manager, which addresses any gaps in capability to operate in line with ICO leadership behaviours - October 2021.

Recruiting Tech Capability - Complete development of clear framework for attracting and recruiting new technical capability to the ICO - January 2021.

Developing in house capability - Building on a proportionate skills audit, define and implement an ICO wide programme of training and development and ensure that all ICO roles include an appropriate 'tech' capability component - October 2021.

Service Excellence - understanding, committing to and delivering excellent service

We will embed excellent customer service, both internally and externally, focussing on the reliability and responsiveness of our services and maintaining strong relationships with our customers and stakeholders.

We will maintain strong insight and understanding of the business models of those industries and sectors which are striving to use personal information safely to innovate to support economic growth, those with practices which represent the greatest risk to privacy and those which rely on the use of personal data as a basis for criminal activity.

We will continue to build our capacity to provide upstream proactive services and develop our capability to support innovators, SMEs and the innovative use of data in the public sector. These services will focus on enabling growth in the data economy and have a combination of quick response and in depth, specialist support for our differing customer needs.

We will make sure that our teams have the ability and are supported to identify the most appropriate and proportionate regulatory intervention, whether that be to produce simple, proportionate and timely guidance, policies and upstream advice, or to take regulatory action where this is appropriate.

We will understand the wider social and economic environment when considering our regulatory and corporate approach to issues and be able to evaluate risk, benefit and cost and take these into account in our day to day work.

We will adopt a 'share it once' approach, where we look to share relevant information about our work internally and, where appropriate, externally as quickly, clearly and transparently as possible.

We will make our services as accessible as possible, helping our customers, stakeholders and colleagues access the right services, knowledge and advice to help them to understand their rights, run their businesses and organisations and do their jobs.

Actions:

Insight - Develop a proportionate framework of customer satisfaction research to ensure that a rolling level of insight is maintained across our main areas of public service - April 2021.

Risk based and outcome focused - To continue to enhance and embed our Strategic Threat Assessment to see it more directly inform our service priorities for both up and downstream regulatory activity - October 2021.

Impact Assessment - To complete the development of a comprehensive framework to support the measurement of the impact of our internal and external services - July 2021.

Ease of Access - To review the interfaces between ICO customers and our services, identifying suitably innovative and engaging ways to meet the needs of customers - review to be complete by April 2021 with recommendations for developments fed into future plans.

Accountability

For each of the priorities in this plan we will produce, and regularly review, a series of targets and measurable actions. Progress will be reported to and overseen by our Management Board and published in our Annual Report to Parliament.