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## **UK Regulators' Network (UKRN) – Response to call for evidence on Smarter Regulation and the Regulatory Landscape**

Thank you for the opportunity to respond to the call for evidence on Smarter Regulation and the Regulatory Landscape.

As you will already be aware, UKRN is a members' organisation, formed by a community of UK regulators, to support their work through facilitating collaboration. UKRN was established by founding regulator members in March 2014 as a collaboration network for the largest economic regulators. It was set up to provide effective co-operation between the regulators on important issues and to encourage greater efficiency and better results for businesses, consumers, and the economy. Since 2014, UKRN has expanded, and we now have a broad and diverse membership across 16 different regulator members and sectors, most of which are in scope of this call for evidence.

As such, this response is at a high-level, and we are expecting that some of our member regulators will submit their own, more detailed, responses. This response focuses on specific sections from the call for evidence questionnaire and, where possible, refers to the specific questions we are commenting on from within those sections. We have also included an Annex which provides more in-depth examples from some of our members where relevant.

### **Introduction – our commitment to continual improvement**

UKRN and our members are committed to continual improvement across the regulatory landscape, so that we continue to deliver the best outcomes for all, in the most efficient ways. Following extensive engagement with our members and key partners, [UKRN's Strategy 2024-27 was published in December 2023 for public consultation](#), and sets out our purpose, core objectives and outcomes. These core objectives reflect our ambition to deliver real-world outcomes over a range of government's priorities including the net zero transition, addressing vulnerability and supporting economic growth. We also see recruitment and retention of a talented and diverse workforce as an area of increased focus across our membership. This is reflected in our core objective to make regulation an attractive career choice, that best represents the consumers we serve.

UKRN and our regulator members would welcome further partnership with Government across these core objectives as we seek to deliver the best outcomes for consumers, society and regulated industries.

## Section One: Landscape of Regulation

Question 1: Based on your experience, do you think that UK regulators are supportive of the individual businesses they regulate in a way that appropriately balances considerations of consumers and other businesses within the sector more broadly?

In response to question one in this section we believe that UK Regulators, and in particular our members, are very supportive of the individual businesses/sectors they regulate in a way that appropriately balances consumer and business interests.

Independent regulation plays a critical role in guiding and supporting businesses across the economy to ensure – amongst other aims – fair competition, consumer protection, and the public interest. Regulators seek to provide this balance through the operational decisions they make, including through development of new rules and schemes, through providing guidance and advice, and through proportionate compliance and enforcement of rules in order to deter poor outcomes. As well as providing consumer remedies and supporting those businesses in providing better consumer value and choice including through innovation. UKRN members have a variety of ways they work towards these aims, depending on their specific roles, which for example includes proactive engagement of businesses to provide flexibility and space for innovation. They also adapt rules quickly in fast-paced sectors and engage consumer panels to ensure that regulatory interventions are grounded by the consumer experience.

## Section Two: Complexity and Ease of Understanding the Regulatory System

Question 4: Based on your experience or understanding of UK regulators, do you find it clear what the overall purpose and objectives of individual regulators are?

In reference to question 4 our members have a broad range of functions, roles and legal powers. Within their own remits, members strive to clearly demonstrate their purpose and objectives in various published governance documents, for example these are often included in annual strategy or business planning documents which are available on their websites.

We note that government has a key role in ensuring clarity of regulators' roles and purpose including through providing long-term steers (such as through timely 'SPS' documents), and through reviewing the consistency and numbers of duties and expectations of regulators such as in the recent work conducted by the Smarter Regulation team. For regulators to make optimal decisions across the economy, it is important that these steers and duties are:

1. **strategic and timely** (where there may be rapid economic changes and opportunities);
2. that they are **aligned** where regulators (and government) share levers to deliver change (eg on growth and climate change); and
3. that they are **appropriately focussed** on core government objectives (rather than diluted across a large number of duties that exceeds the resourcing constraints of any regulator).

With regard to point one above, as noted in UKRN's response to the [House of Lords UK Regulators inquiry](#):

*“One of the main purposes of regulatory independence is to ensure that regulators can plan and act in timescales longer than the electoral cycle, in order to make optimal decisions for long-term issues, such as infrastructure investment. This underpins market stability and certainty, which leads to lower cost of capital and ultimately lower consumer bills for essential services. It is well evidenced that a clear and stable regulatory framework is a key ingredient to encourage private investment, new market entrants and innovation.”*

Question 9: Do you consider that UK regulators collaborate effectively with each other and their international counterparts?

With regard to question 9, collaboration is the main catalyst for why UKRN was formed in 2014 with a clear purpose to promote effective collaboration between UK Regulators. As noted above, although initially set up to facilitate collaboration between economic regulators, the UKRN's reach has grown to 16 regulators members across a wide range of sectors who come together, through our formal Networks and other fora, to share best practice and work alongside each other on cross cutting issues. Examples of this is the work of the UKRN's [Cost of Living Joint Working Group](#), the Next Generation NED Programme and also the publication of the [UKRN guidance on the methodology of setting the cost of capital](#).

There are also many such examples of our members engaging regularly with their international counterparts, as well as UKRN's ongoing engagement with the Organisation for Economic Co-operation and Development (OECD), with whom some of our members also engage. One example of sector specific international engagement is The Pensions Regulator's engagement with the Australian Prudential Regulation Authority, where a member of the Board was recently invited to speak with TPR colleagues on Australia's superannuation system.

Question 12: Do you consider that guidance issued by UK regulatory bodies makes the regulatory system clearer and easier to understand?

With regards to question 12, our members provide important guidance and in various forms such as codes of practice, feedback notes and other types of advisory support for their relevant industries. Our members also organise, speak at, and participate at a range of events including conferences and public outreach, to signpost and explain what we do and to listen to feedback from consumers, regulated industries and investors. It is also important to note that guidance is kept under review and updated where appropriate to help individuals and organisations navigate a changing world. An example of such guidance is Ofgem's [Licence Guides](#) on tariffs and contracts which was introduced from 2017 and helps stakeholders navigate and understand the rules that set out what, when, and how suppliers must communicate with their customers. The guide sets out relevant licence conditions, guidance and other related documents in one place in a more

accessible way that the formal Retail Market Licences. Activities such as these from across the regulatory landscape aim to make the regulatory system clearer and easier to understand for stakeholders and consumers, and to make compliance easier to achieve and understand for regulated businesses.

### Section Three: Regulator Agility, Responsiveness and Skills

Question 13: Do you find UK regulators to be agile and responsive to new and emerging issues?

Question 14: What factors do you think work for and against UK regulators' ability to Respond sufficiently rapidly?

In response to questions 13 and 14, we cite our response to the recent [House of Lords UK Regulators inquiry](#). We have included the relevant passages from our response, below:

*“Independent regulators work within a legal and statutory framework as set-out by government and often have additional duties that require interpretation. It is no secret that more is being continually asked of regulators. To meet this challenge regulators are adapting to become more efficient, nimble and are adopting new ways of regulating. For example, a number of our members have introduced teams to support innovation in the economy through advice and regulatory adjustments. Since their launches in 2014 in the case of the FCA, and 2018 for the ICO, their Innovation Hubs have supported a diverse range of firms, from incumbents to start-ups, allowing firms to test innovative products or services in a live market through their Regulatory Sandboxes or helping firms resolve regulatory questions through Innovation Pathways.*

*Another example is from The Pensions Regulator (TPR) and the authorisation and supervision of Superfunds, which, as of yet, has not been brought into legislation. Therefore, until such time, TPR operates an interim regime working with the Department for Work and Pensions on their guidance and framework. This has allowed market innovation to progress without the effects of the legislative timeframes and processes to hold it back.*

*And Ofgem is working with the government through the joint Connections Action Plan to achieve the ambition of halving the time to build new transmission infrastructure from 14 to 7 years. This involves innovative new approaches to ensure that viable projects are fast-tracked, and to accelerate new infrastructure to meet our target to decarbonise the electricity network by 2035 and for it to play a full role in meeting government's legal obligation to get to net zero by 2050.”*

The agility and responsiveness of regulators is also related to steers and duties placed on the regulators – specifically the points made above in reference to question 4 that those steers and duties are strategic and timely, that they are aligned where appropriate across regulators and with government, and that they are appropriately focussed – noting specifically here that a large number of objectives could conceivably slow prioritisation and agility of regulators to respond in an agile way.

It should also be noted that during the Covid pandemic regulators worked particularly efficiently to react to the crisis, providing updated guidance to industry, supporting consumers or pausing their enforcement action where appropriate. One example of this is from The Pensions Regulator which issued [a package of measures](#) to safeguard pensions through the unprecedented challenges.

Question 17: Do you think UK regulators have the appropriate mix of skills to deliver their objectives?

Question 18: Do you think UK regulators are appropriately resourced to discharge their duties?

On questions 17 and 18, as set out in the public consultation version of [UKRN Strategy 2024-27](#), one of our 6 core objectives over the next three years is ‘making regulation an attractive career choice’. Our intended outcome is for UKRN to have facilitated recruitment, retention and diversity in regulators – and to do this we will be developing a range of UKRN initiatives. This will build from our recently launched ‘Jobs Board’ which allows UKRN and our members to publish live job adverts, secondment and internship opportunities across our regulatory community. We also have a focus specifically on early careers, and will be developing our web-based content on this.

## Section Five: Process and Governance

Question 28: Do you consider that UK regulators have in place the right governance structures to deliver the best outcomes? If not, how can they be improved?

Question 31: Are you provided sufficient opportunity to input into decision making by UK regulators processes (e.g., via consultations, workshops etc)? If not, how would you suggest improving the process?

Question 32: Do you consider the processes that UK regulators follow deliver reasonable outcomes?

Question 28, 31 and 32 has a significant read across again to our House of Lords UK Regulators inquiry response with regards to decision making, governance and accountability. In our letter to the committee, we noted that:

*“With independence comes the responsibility for regulators to be accountable for what they do, and to explain why they do what that do. The regulatory community feels a shared responsibility for explaining this, which is why this is a core objective of the next UKRN Strategy 2024-27. Ultimately, accountability is vital for the legitimacy of independent regulators.*

*UKRN members undertake a wide range of practices to build their accountability – both in response to statutory accountability mechanisms and those which they may do on a voluntary basis. This includes proactive engagement with Parliamentary Committees and representatives to help build understanding, production of easy-to-read annual reports and accounts, and public outreach and engagement – ranging for town hall events to Board members engaging with the*

media.

*We recognise there is always scope to learn and improve – which can be seen through the evolution of our members engagement on social media platforms. Members proactively and voluntarily strive to support greater understanding of their role, how they are set up and what they do. For example, our members publish strategies which include information on what they do and don't regulate and sometimes describes what they see around their perimeter/remit and action they are planning to take in response."*

UKRN members also proactively consult on key issues that affect their regulated community as well as provide stakeholder, consumer or industry panels to ensure that a wide range of voices are included in decision or policy making forums.

With specific reference to question 28, we would also like to make reference to the current public appointments process for regulators to appoint Non-Executive Directors and Chairs to their Boards. Currently this process sits partly within the Cabinet Office and partly within individual regulators sponsoring departments. As a result of multiple departmental involvement in the process, it can often be time consuming and unwieldy to recruit and can leave regulators in a position of losing candidates or not having a suitable candidate pool from which to recruit. We would therefore recommend that improvements to this process would in turn benefit the overall governance and accountability of regulators.

Question 29: Do you consider that UK regulators use digital systems in their interactions with you in an efficient fashion? (e.g. data transfer or other digitised methods)?

With regard to question 29 we note a number of regulators have struggled to meet the Government Digital Service Standards which in turn has caused delays in digital transformation projects or budgetary issues. It is clear there is a need to improve digital systems across the regulatory landscape, but the resource constraints applied to many regulators, and the 'do more with less' approach means that such activities come at the cost of reducing work on other priorities.

Question 35: What steps, if any, do you think could be taken to further improve the effectiveness and clarity of the reviews and appeals processes

Question 35 asks specifically about the reviews and appeals process which again we comment on in our House of Lords response that "...there is wide variation between appeals mechanisms that our members are subject to, seemingly without a clear rationale as to why." This highlights that whilst similar mechanisms for accountability are in place they are often applied differently and with differing levels of scrutiny. It should also be noted that this is something that was referenced (para 22-24) in the 'Recommendations' section of the 2004 House of Lords Report titled ['The Regulator State: Ensuring its Accountability' with](#) clear suggestions on improvement.

## Section Seven: Concluding Questions

Question 42: Are there any further points you would raise about regulation, including the functioning of the regulatory system or any recommendations you have on the stock of regulations from the Government which should be removed or reformed and modernised?

Finally, question 42 from this section, we can develop the points noted by [UKRN's response](#) to the "Reforming the Framework for Better Regulation" consultation in autumn 2021.

When considering removal and reform and modernisation of the stock of regulation we must be clear the operating environments and legal remits of our member regulators varies widely – one size does not fit all. For instance, in some areas of regulation, such as aviation safety, our approach is to remove all sources of risk, as safety is our overriding objective. However, in other areas we have more flexibility to accept risk because those risks are inherently less impactful and outweigh the potential rewards – be they through better and improved customer service, economic growth, and competition. And such lower-level risks can be mitigated through a vigilant monitoring function and a culture of constructive partnership with regulated sectors (all of which requires resourcing, engagement, and flexibility).

UKRN observes that many of our sectors have regulation that has built up over years or even decades, and while it may appear desirable to replace much of this codification with modernised regulation such as principles or objectives for regulators, doing so would be resource intensive, and those resources would have to be drawn from other priorities; and so the benefits would have to be measured against the cost of the work not done. Furthermore, revising established regulations could unravel complex connections between consumer protections, all of which should be investigated and understood before potentially exposing consumers to new risks. Members will comment in their own responses on their individual circumstances, but one solution may be that Government provide additional support for regulators to target and remove/revise specific areas of codified rules in order to understand the benefits and risks and learn lessons before wider changes are made. As such a resourced 'transition programme' may be helpful to ensure such change can be implemented without impinging on regulators' essential day-to-day business.

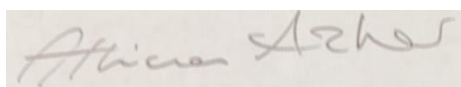
But we have greater opportunity when designing and implementing new regulation. There is much to be gained through ensuring that new regulation builds on the best practice as identified by the Regulatory Horizons Council, OECD and other regulatory thought leaders, and is subjected to evaluation to continually improve our approach. In all cases, we must be clear where the perimeter sits between government and regulators to avoid 'grey areas' that fall between them, and to have a shared understanding of how much risk can be tolerated in any circumstance. If the decision is made to pursue a higher risk/higher reward approach through lighter regulation, this shared understanding should be based on clarity around how failures and be managed (in terms of their impact) and learned from to improve our collective regulatory approaches in future. Conversely there will be other situations where a precautionary approach must be adopted because the impacts of failures are too high and difficult to mitigate.



With regards to further points requested in question 42, UKRN would also like to flag the 5 core principles of accountability that we flagged in our House of Lords UK Regulators inquiry response, which you can read in full [here](#). We request that the Smarter Regulation team bear these in consideration when developing the response to this and related consultations, as we recognise these principles as foundational to regulatory accountability, and regulatory legitimacy, in the UK.

Whilst we hope the above provides a clear view from UKRN on the matters posed by the call for evidence we would be very happy to discuss in more detail or answer any additional questions where appropriate.

Yours sincerely,

A handwritten signature in dark ink on a light-colored background, reading 'Attricia Archer'.

Attricia Archer  
**UKRN Director**



## ANNEX A – Members’ Examples

### The Single Source Regulations Office:

**Question 12. Do you consider that guidance issued by UK regulatory bodies makes the regulatory system clearer and easier to understand?**

The Single Source Regulations Office (SSRO) plays a key role in supporting the operation of the regulatory framework for non-competitive single source defence contracts, established by Part 2 of the Defence Reform Act 2014.

The framework specifies how contracts that meet the requirements for being qualifying defence contracts (QDCs) or qualifying sub-contracts (QSCs) must be priced and requires transparency about those contracts from the contractors that hold them. The SSRO’s functions include issuing guidance on aspects of the regulatory framework, including:

- **Contract pricing** - including whether a contractor’s costs meet the requirements to be “allowable costs”, and the adjustment to be made to a “baseline profit rate” to determine the specific contract profit rate for a QDC or QSC.
- **Transparency** – including the preparation of contract and supplier reports and on the functionality of the SSRO’s Defence Contract Analysis and Reporting System (DefCARS).
- **Penalty notices** – the penalties that may be applied by the Secretary of State in cases where a contractor fails to comply with certain obligations under the Act.
- **Referrals** – including the SSRO’s procedures for giving expert opinions on issues or questions referred to it by the MOD and industry, making determinations which can change the price of a QDC or QSC, considering appeals against assessment as a QSC and notices of cessation as a QSC, as well as the SSRO’s approach to deciding whether to require the payment of referral-related costs by one of the parties.

The SSRO’s most recent stakeholder survey (2022) found that the majority of users found its guidance to be clear and applicable. This was the case for 85 per cent of respondents who had used the allowable costs guidance; 76 per cent of those who had used the reporting guidance and DefCARS user guide; and 90 per cent of those who had used the guidance on the Baseline Profit Rate and its adjustments.

The SSRO takes a flexible and proportionate approach towards issuing and updating guidance, considering factors such as urgency, complexity and stakeholder views.

It can update guidance for a variety of reasons, including to reflect changes in the regulatory framework, or to make it easier to understand or more comprehensive.

The SSRO aims to support stakeholders in understanding and applying its guidance, and does so by:

- routinely briefing stakeholders on its contents as part of onboarding and training activities offered to the MOD and to all industry contractors with a QDC/QSC or potential QDC/QSC;
- providing written and face-to-face briefings for stakeholders to assist them in understanding the intent of the guidance and providing opportunities to discuss questions related to interpretation and implementation;
- responding to day-to-day queries on guidance-related issues through its Helpdesk;
- providing tailored support to assist the MOD or a contractor to understand how the guidance should be interpreted or applied;
- considering through its referral function more complex questions concerning the application of guidance to particular circumstances; and
- publishing on its website anonymised responses provided to guidance-related queries and referrals.

In considering whether to issue or update guidance, the SSRO takes account of the stakeholder feedback received through these engagement activities. It seeks further views by issuing and seeking responses to working papers, public consultations and engagement with the MOD and industry and workshops and regular stakeholder forums.

The Procurement Act 2023 introduces considerable changes to the regulatory framework for single source defence procurement, with new provisions around alternative pricing of QDCs, allowing different parts of a contract to be treated as distinct components, and changes to how the contract profit rate will be calculated. The SSRO is updating its contract pricing and transparency guidance to reflect the changes made by the Act and is providing practical support for the defence industry on implementation of the changes.

The Procurement Act also enables the SSRO to issue guidance and provide opinions on the application or interpretation of any aspect of the regulatory framework.

The SSRO's Corporate Plan for 2024-2027 will look to ensure the accessibility of its guidance is increased. It will consider new ways to explain and present guidance, including through seminars, online videos, and being "on the ground" more to support the MOD and defence industry in applying the regulatory framework.

Question 29: Do you consider that UK regulators use digital systems in their interactions with you in an efficient fashion? (e.g. data transfer or other digitised methods)?

A new transparency framework for single source procurement in defence was brought into effect by the Defence Reform Act 2014. Under the Act, Defence contractors are required to provide reports to the SSRO and the MOD if they hold qualifying contracts. These standardised reports allow for better monitoring of single source contracts and help both the MOD and contractors agree and deliver value for money contracts and fair and reasonable prices. Contract reports include data about contract requirements, payments, estimated and actual costs, profit, delivery and sub-contracts. Supplier reports (which are required when relevant triggers are met) include data about a contractor's overhead costs in standard categories, its strategic capacity and opportunities for SMEs in the supply chain.

Contractors are required to submit most of these reports electronically to the MOD and the SSRO, and the SSRO has established the Defence Contracts Analysis and Reporting System (DefCARS) to receive the data. For each report, contractors make a single submission into the system, which both the MOD and SSRO can access.

DefCARS is a secure, easy-to-use online system, which:

- enables contractors to submit statutory reports and access their data;
- facilitates monitoring of compliance with reporting requirements by the SSRO, and enables MOD to query and comment on the submitted reports;
- holds reported data and makes it accessible, for example to support contract management by the MOD;
- holds data securely, with the SSRO ensuring appropriate confidentiality and integrity of the data it handles and manages; and
- produces reports and supports the SSRO's analysis of reported data in aid of better defence procurement.

The reported data that has been collected in DefCARS provides a significant, growing resource. As at 31 March 2023, DefCARS contained data on 535 contracts with a total estimated contract price of £83.6 billion.

DefCARS supports the SSRO's two main stakeholder groups:

- It provides defence contractors with an efficient data input facility. The DefCARS interface ensures that it is straightforward for contractors to submit reports, with efficient collection of data that is collected only once if possible.
- It provides the MOD with data that is accessible – but only to those who need to access it and have a legitimate right to do so – and supported by sufficient material to enable it to be interpreted, such as definitions and information on quality.

The data within DefCARS provides relevant insights, which can improve delivery and commercial outcomes in procurement. Better use by the MOD of the data reported by contractors helps both the MOD and contractors agree and deliver value for money contracts and fair and reasonable prices.

The SSRO provides access to DefCARS to over 500 MOD users, who include senior leaders and Commercial Officers, and a secure reporting suite of Management Information for their use.

It also provides guidance, webinars and video demonstrations to the MOD on the use of DefCARS and the use of Management Information, including on areas such as contract amendments and variance.

The SSRO can provide DefCARS information directly to the MOD in response to requests under Section 36 of the Defence Reform Act.

Through providing this information, the SSRO aims to ensure that the data submitted by contractors in statutory reports is fully utilised in procurement decisions, contract management and the development of the regulatory framework to deliver value for money and fair and reasonable prices.

The SSRO's future vision for DefCARS is that:

- it will continue to be the primary tool for securely capturing, storing and facilitating the use of the information submitted in statutory reports;
- it will efficiently and flexibly capture data and provide value for money; and
- it will be easy to use, engaging to users, and encourage use of data.

In the longer-term, the SSRO will explore the interoperability of DefCARS with MOD and industry systems and will engage with stakeholders about what can be achieved. This will involve consideration of whether regulatory data can be collected via automated reporting from company systems and accessed by the MOD through connectivity with its systems.

Question 13: Do you find UK regulators to be agile and responsive to new and emerging issues?

### **Information Commissioner's Office:**

The Information Commissioner's office (ICO) works in a rapidly changing external environment and many of the issues business, government and the public sector expect the ICO to respond to are fast-moving and require a multi-disciplinary approach. As set out in the ICO's strategic plan, [ICO25](#), the ICO responds rapidly and with agility to new and emerging regulatory risks and opportunities.

Here we set out some recent examples of how the ICO responds to new and emerging issues.

**Understand and respond to emerging technologies and trends** – the ICO carries out annual horizon scanning. Here the ICO identified 11 emerging technologies that will impact privacy regulation in the next five years. The ICO set out key conclusions in its published [tech horizons report](#). The report looked in depth at four of these technologies:

- next-generation Internet of Things devices;
- immersive technologies (AR and VR);
- decentralised finance; and
- consumer health technology.

The ICO has also published reports on emerging [biometric technologies](#) and on [neurotech](#).

Artificial intelligence (AI) is a priority area for the ICO due to the potential to pose a high risk to individuals and their rights and freedoms. The ICO believes public trust is paramount for the safe adoption of AI across sectors and as a regulator the ICO continues to respond to the demand for more work in this space. Areas of focus include: fairness in AI; dark patterns; AI-as-a-service; AI and recommender systems; and privacy and confidentiality in explainable AI. For example, the ICO's responsiveness to emerging AI issues is illustrated in its [quick messaging on large language models \(LLM's\)](#) in spring 2023 in response to news stories about the implications of generative AI and LLMs.

This work clearly setting out views on emerging technologies reduces burdens on businesses, supports innovation and prevents harms.

**Enabling the use of privacy-enhancing technologies (PETs) to reduce data protection risks for organisations** - the ICO published [guidance on PETs](#) in 2023. This guidance supports organisations to make use of emerging technologies which enable more secure data sharing and use. The ICO engaged extensively with industry and academic stakeholders for this work. In addition, the ICO has promoted the development and adoption of PETs, by co-developing case studies with other regulators both nationally and internationally. The ICO has [also engaged](#) in the UK-US PETs challenge, run its own project via the Regulators' Pioneer Fund (RPF) to better understand barriers to PETs adoption, and is continuing this work in 2024 with a further workshop on PETs adoption, and is collaborating with the Centre for Data Ethics and Innovation (CDEI) on a PETs cost benefit tool.

**Introducing PACE teams so that emerging high-level risks and opportunities are identified, prioritised, and resolved quickly** - PACE means: Prioritise, Act, Collaborate and Engage. The ICO's PACE teams are based on taking a responsive, agile approach and use multi-disciplinary project teams to research and, where necessary, make a proportionate regulatory intervention. They operate within a defined time, cost and scoped parameters. Recent issues delivered via the ICO's PACE approach include [fertility tracking apps](#) and [assessing UK tracing agents](#).

**The ICO's innovation support operates at the cutting edge being agile and responsive to emerging issues** – delivering at the forefront of data protection, the ICO's Sandbox works within specified [areas of focus](#) that align with the ICO's strategic priorities. These often relate to emerging issues within the market. For example, the ICO is currently seeking new participants in the areas of biometrics, emerging technologies or any project that can demonstrate an exceptional level of innovation. These areas of focus are routinely refreshed and demonstrate that

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the ICO is agile and responsive to emerging issues. From the ICO's previous Sandbox work, the [FlyingBinary project](#) also demonstrates agility and responsiveness. FlyingBinary entered the Sandbox under an area of focus relating to the ICO's Children's code. The Children's code, at the time, was a new set of design standards that complement data protection legislation and seek to protect the privacy of children online. As a result, the ICO helped FlyingBinary navigate new and emerging risks and regulatory requirements throughout its participation. Additionally, the ICO's [Innovation Hub](#) during the FCA's Consumer Duty TechSprint advised participants on how to provide regulatory communications to retail banking customers. The ICO's input was able to support how innovations could provide better outcomes for consumers in compliance with data protection law so that the requirements of both regulators were being met.