

Information Commissioner's Annual Report and Financial Statements 2021-22

July 2022
HC 392



Information Commissioner's Annual Report and Financial Statements 2021/22

For the period 1 April 2021 to 31 March 2022

Report Presented to Parliament pursuant to Section 139(1) of the Data Protection Act 2018 and Section 49(1) of the Freedom of Information Act 2000 and Accounts Presented to Parliament pursuant to paragraph 11(4) of Schedule 12 to the Data Protection Act 2018.

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Any enquiries regarding this publication should be sent to us at:

Information Commissioner's Office
Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF

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Our annual report is split into three sections.

The first section is our **Performance report**, which reviews our work across 2021/22. It sets out our key achievements, with case studies providing in-depth examination of some of our most impactful work.

This section concludes with statistics covering the full range of our operational performance, summary reports on our financial performance, sustainability and whistleblowing disclosures made to us, and a statement on the ICO's status as a going concern.

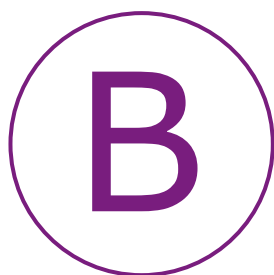
The second section is our **Accountability report**, which includes declarations about corporate governance, remuneration and staffing, and parliamentary accountability and audit reporting. In this section we also provide further details about our internal structures.

The report concludes with our **Financial statements**, comprising our financial performance.



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Information Commissioner's foreword



Welcome to my first annual report as UK Information Commissioner. This document reflects a year of action and progress in supporting information rights in the UK, and presents a body of work that the ICO can be proud of.

As I joined as Commissioner midway through the period covered by this report, I read much of it as you do, reflecting as an interested observer. And what shone through to me from

every page is that 2021/22 was a year of action and impact.

That action and impact can be seen through our work alongside other regulators. This is an area that has developed over the past year as part of the Digital Regulation Cooperation Forum (DRCF). When the DRCF announced its priorities for the coming year in March 2022, the aim was to achieve a joined-up approach to digital regulation between the ICO, the Competition and Markets Authority, Ofcom and the Financial Conduct Authority. Whilst still in its infancy, the DRCF is already having a practical impact. In May 2021, the DRCF responded to a government consultation on appropriate information sharing on behalf of the ICO, CMA and Ofcom.

Another example of practical impact was the Data sharing code: this landmark piece of legislation, laid before Parliament in May 2021, has subsequently helped thousands of businesses to share data responsibly. The code, and the supporting materials, shows the value our support can have.

Our value shone through too in the advice we offered following the UK's exit from the EU. In August 2021, we consulted on guidance on transferring data to organisations outside of the UK, providing much-needed clarity and protection for people's personal data.

Protecting people's, and particularly children's, personal data is a key part of the ground-breaking work we have achieved this past year with the Children's code. In September 2021, the code came fully into force. We transitioned from encouraging compliance and working alongside industry

to identifying areas which would benefit from closer scrutiny and potential enforcement. This is a trend which we will continue into the next reporting year.

That desire to protect people's personal data is also central to our regulatory sandbox work. We have helped businesses across the year to move towards innovative solutions for their customers whilst keeping their data safe. For example, we worked with organisations to improve access to affordable financial services for young adults, to use data to help tackle homelessness and to ensure privacy-by-design is at the heart of these innovations.

When I joined the ICO in January 2022, I was motivated by the opportunity to build on the office's successes. I was grateful that the stewardship of Elizabeth Denham had left the office in such a strong position, particularly against the backdrop of challenges brought by the pandemic.

One of my first acts as Information Commissioner was to instigate a UK-wide listening tour. I wanted to understand how the ICO was perceived domestically. I wanted to hear from businesses small and large, my staff, civil society, the public sector and the people who are protected by the legislation we oversee.

What I subsequently heard was praise for our work, for which the hardworking staff across the office should take credit. I heard areas where we could improve. And people wanted to talk about data protection reform, because they were feeling understandably uncertain about the future.

In response to the uncertainty, I want to provide reassurance. We stand ready to support organisations, and this will be a central part of our work once the new legislation is announced. Offering certainty to businesses and the public is an important part of our role.

These reforms come as we publish our strategic plan for the next three years, known as ICO25. It sets out a direction of travel for the ICO for the next three years and an outline for how we get to where we want to be. It's ambitious yet achievable. And it begins with our clear mission, which is 'to empower you through information'. More information on ICO25 is available on our website.

I also want to acknowledge our role as regulator of the Freedom of Information Act. We understand the importance of our role in holding

public authorities to account through the effective oversight of the law. We face a number of challenges with high volumes of complaints and appeals and need to find innovative ways to improve the overall effectiveness of the FOI ecosystem. This is one of my key priorities for the next reporting year.

I hope this report conveys to you the immense breadth and scale of work that this office has undertaken in the past year. I also hope that I have imbued in you a sense of anticipation and excitement about the year ahead, as we move towards ICO25.

A handwritten signature in blue ink, appearing to read 'J Edwards', is positioned above the name and date.

John Edwards

12 July 2022

Senior Independent Director's report

I would like to begin by taking the opportunity formally to welcome John Edwards as the new Information Commissioner. Since joining in January, John has brought a drive, ambition and vision to the ICO that, I am sure, will serve us well into the future.

2021/22 has been an incredibly busy and successful year for the ICO. As the UK continued to face the challenges of the pandemic we played a significant role in facilitating organisations to make innovative uses of data while supporting public trust and confidence in how personal information was used.

I am immensely proud of what we have done this year to help to protect and empower people, especially the most vulnerable, and ensure that our regulatory approach supported businesses to thrive. Our regulatory work has been hugely important and impactful.

I would like to express my gratitude and thanks to members of staff, at every level and from every discipline, who worked tirelessly throughout the last 12 months to deliver our successes. The work they do matters more than ever before as personal data increasingly drives our modern economies and society.

This reporting period also marked the end of Elizabeth Denham's term as Information Commissioner. I would like to thank Elizabeth for her excellent stewardship over the course of her time as Commissioner. Throughout her tenure Elizabeth championed information rights, both in the UK and internationally, and she leaves us a transformed organisation ready to embrace the next phase of our evolution as a modern regulator.

The ICO is now a more representative place, with more women in senior positions and greater diversity throughout the organisation. Through work such as the Children's Code, on mobile phone extraction and on the Metropolitan Police Service gangs matrix, Elizabeth helped to focus the ICO's attention to support women, children and under-represented groups.

I am grateful to her for twice agreeing to extend her term, making considerable personal sacrifices, to ensure a smooth transition to her successor. I, and the rest of the Board, wish her well in the next stage of her career and thank her for her service.

Despite the two extensions to Elizabeth's term, we did have a brief period from the end of November to the beginning of January where we were between Commissioners. I would like to thank Paul Arnold, our Deputy Chief Executive Officer, for taking on the role of Accounting Officer during this time. I would also like to thank the rest of the Executive and non-Executive members of the board for their support for the ICO during the transition.

Nicola Wood

12 July 2022

Our mission, vision, and strategic goals

Our mission

To uphold information rights for the UK public in the digital age.

Our vision

To increase the confidence that the UK public have in organisations that process personal data and those which are responsible for making public information available.

Our strategic goals – 2016 to 2022

1. To increase the public's trust and confidence in how data is used and made available.
2. Improve standards of information rights practice through clear, inspiring and targeted engagement and influence.
3. Maintain and develop influence within the global information rights regulatory community.
4. Stay relevant, provide excellent public service and keep abreast of evolving technology.
5. Enforce the laws we help shape and oversee.
6. To be an effective and knowledgeable regulator for cyber-related privacy issues.

The Information rights strategic plan (IRSP) which set out these strategic goals comes to an end in July 2022. Now is the time to make sure we have a strong plan in place for the next three years and update our strategic objectives.

We will launch our new ICO25 plan for public consultation during July 2022. It will set out our purpose, our strategic enduring objectives and our values, for the UK, our stakeholders and ICO staff by 2025. It will also outline the performance measures we'll assess ourselves by in future Annual Reports.

Our values

- Ambitious** – Working boldly, ready to test boundaries and take advantage of new opportunities; working with a sense of genuine urgency, continuously improving when striving to be the absolute best we can be.
- Collaborative** – Working towards achieving our goals, supporting one another whilst seeking and sharing information and expertise and working effectively with a range of partners to achieve our collective objectives.
- Service focused** – Working impartially and ethically to provide excellent services - continuously innovating to remain relevant to the environment we regulate.

The legislation we regulate

The **Data Protection Act 2018** (DPA 2018) and the **UK General Data Protection Regulation** (UK GDPR) give people rights over how their personal data is collected and used, ensure organisations are accountable for using personal data safely, and facilitate the social and economic benefits that come from responsible data sharing.

The **Freedom of Information Act 2000** (FOIA) gives people a general right of access to information held by most public authorities. Aimed at promoting a culture of openness and accountability across the public sector, it enables a better understanding of how public authorities carry out their duties, why they make the decisions they do and how they spend public money.

The **Environmental Information Regulations 2004** (EIR) provides means of access to environmental information. The EIR cover more organisations than FOIA, including some private sector bodies, and have fewer exemptions (referred to as 'exceptions' in the EIR).

The **Privacy and Electronic Communications Regulations 2003** (PECR) regulate the use of electronic communications for the purpose of marketing to people and organisations, using cookies (or similar technologies), keeping public electronic communications services secure, and maintaining the privacy of customers using communications networks or services.

The **Network and Information Systems Regulations 2018** (NIS) establish a common level of security for network and information systems. These systems play a vital role in the economy and wider society, and NIS aims to address the threats posed to them from a range of areas, most notably cyber attacks.

The **Infrastructure for Spatial Information in the European Community Regulations 2009** (INSPIRE) give the Information Commissioner enforcement powers in relation to the pro-active provision by public authorities of geographical or location-based information.

The **Re-use of Public Sector Information Regulations 2015** (RPSI) gives the public the right to request the re-use of public sector information and details how public bodies can charge for re-use and license the information. The Information Commissioner deals with complaints about how public bodies have dealt with requests to re-use information.

The **Investigatory Powers Act 2016** (IPA) imposes duties on communications service providers when retaining communications data for third party investigatory purposes where they have been issued with a notice from the Secretary of State. The Information Commissioner has a duty to audit the security, integrity and destruction of that retained data.

The **Electronic Identification and Trust Services for Electronic Transactions Regulations 2016** and the **Electronic Identification and Trust Services for Electronic Transactions (Amendment etc) (EU Exit) Regulations 2019** (known collectively as the UK eIDAS Regulations) set out rules for the security and integrity of trust services including electronic signatures, seals, time stamps, documents, electronic registered delivery services and website authentication certificates. The Information Commissioner has a supervisory role towards organisations providing these trust services, including being able to grant qualified status to providers and the ability to take enforcement action.

The **Enterprise Act 2002** made various reforms to competition law and consumer law enforcement in the UK. Part 8 of the Enterprise Act deals with provisions for the enforcement of consumer protection legislation. The Information Commissioner has powers under Part 8 of the Enterprise Act as a “designated enforcer” in relation to domestic infringements and infringements listed in Schedule 13. The ICO is also a “Schedule 13” enforcer which gives additional powers in relation to infringements listed in Schedule 13.

Introduction

A year in review

As with last year, we have presented our achievements and successes in six categories, all of which contribute to the strategic goals set out in our Information rights strategic plan.

2021/22 saw the end of Elizabeth Denham's five-year term as Information Commissioner. Her term concluded at the end of November 2021. John Edwards began his five-year term as Information Commissioner at the start of January 2022. Between the end of Elizabeth's term and the start of John's, the regulatory responsibilities of the Commissioner were delegated to Deputy Commissioners through the ICO's scheme of delegation. This ensured continuity of regulatory decision-making during this period. Paul Arnold, the ICO's Deputy Chief Executive, was also designated as the Accounting Officer during this period.

1. Supporting the public

We empower people to assert their data protection rights and we support organisations, across the entire span of public sector, private sector, policing, judicial and third sector to look after people's data.

Our helpline takes more than 300,000 calls a year, giving clear data protection and freedom of information advice to people and organisations. We also handle more than 30,000 data protection complaints every year – taking action where people's rights have not been respected.

2. Enabling innovation and economic growth

Public confidence is the backbone of a thriving digital economy. People expect their data to be looked after, but also expect organisations to innovate to offer better services. Data protection laws enable this to happen.

Our guidance around artificial intelligence supports organisations to navigate their way to compliant and workable AI systems. We also help innovators develop new products and services that earn public trust through built-in data protection.

3. Raising global data protection standards

Our international influence helps raise data protection standards worldwide.

Our Age appropriate design code has already had a real impact on global data standards. This is evidenced by the changes businesses have made as a result of the code and California's plans to introduce a similar bill which will limit the data collected from young people by many of the world's biggest tech businesses.

4. Taking regulatory action

We offer consistent regulation, with clarity for organisations through our accessible guidance.

Our focus is on supporting organisations to meet their legal requirements. We target our regulatory action in areas where we see poor data protection practices having the most significant impact on people. We use our enforcement powers only where it is required and always in a proportionate way.

5. Supporting the public sector

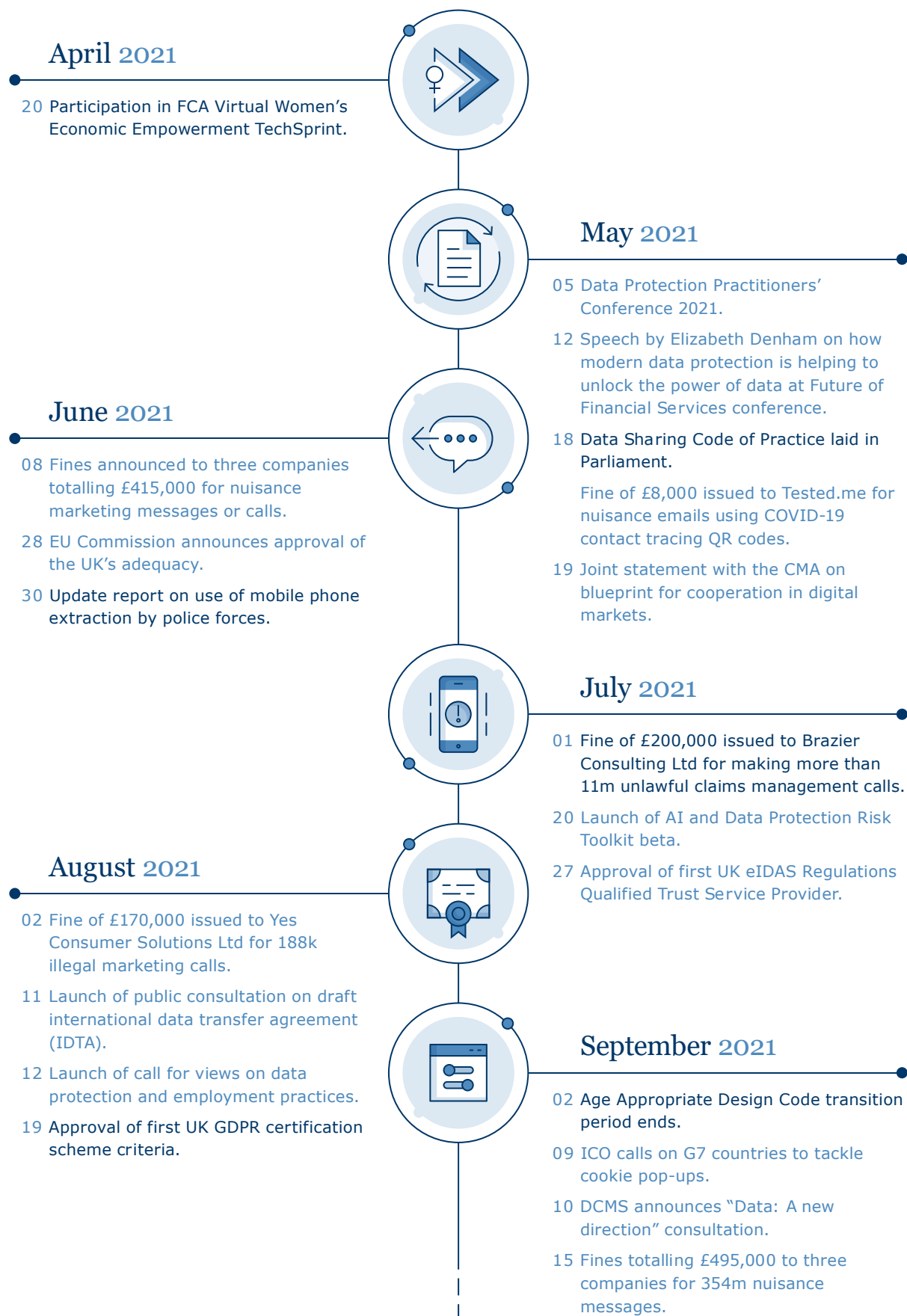
Successful innovation in the public sector often requires the public's trust in how their data is used, shared and kept safe.

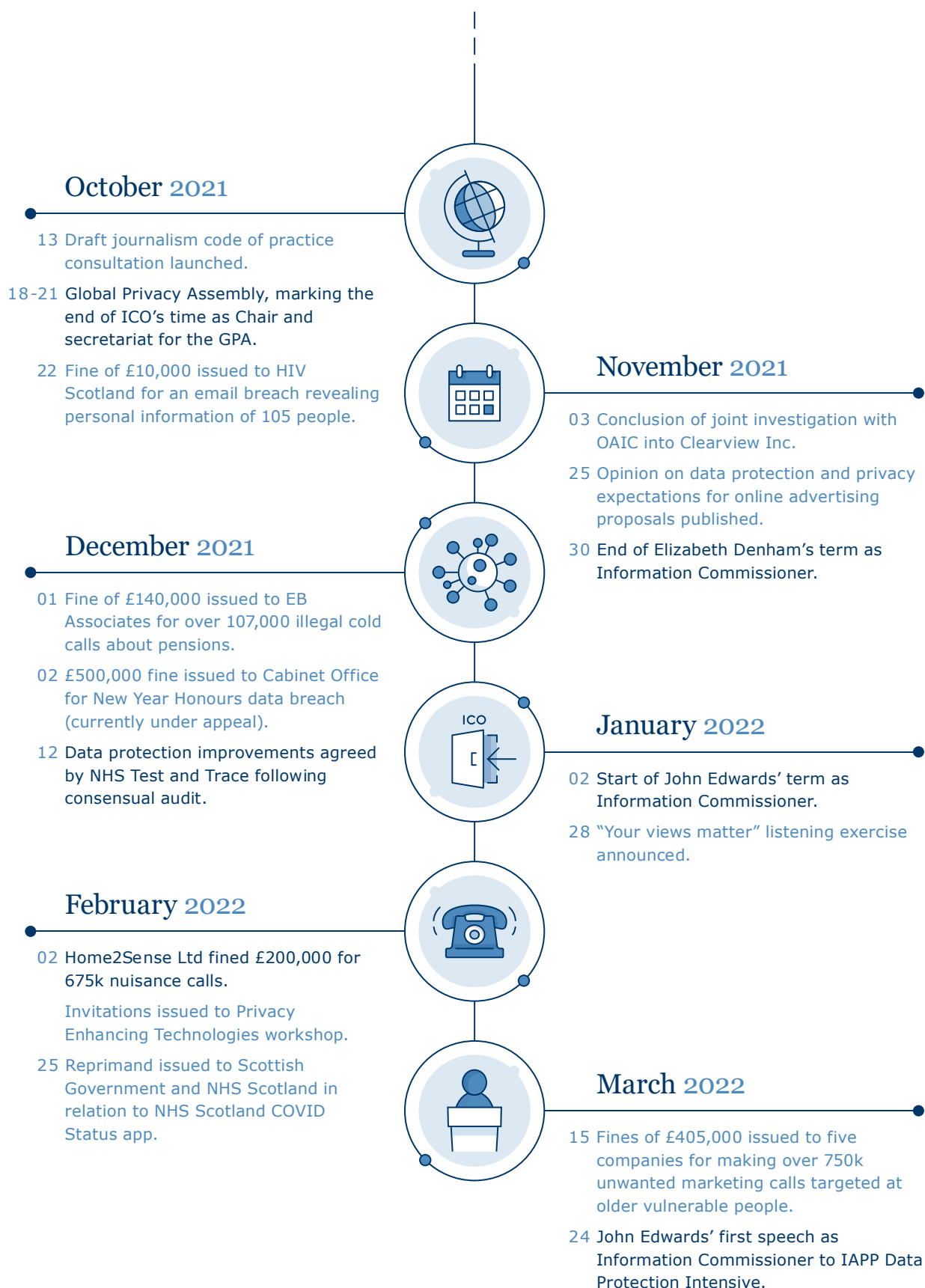
We encourage the public sector to put transparency and accountability at the heart of their decision-making and our work regulating freedom of information laws is central to this.

6. Delivering the ICO service experience

We are committed to a service-focused approach across our work.

The year in summary





Section 1: Supporting the public

Data has never been more important. Personal data and our privacy choices make a material difference to all our lives, affecting everything from choosing the healthcare we receive to the job opportunities we see. When personal data is mishandled, and trust is lost, that can lead to people disengaging from services.

Data-driven innovations bring incredible opportunities to society. But our digital economy relies on trust. Services promising to make people's daily lives safer, more convenient and connected must not misuse the information they gather.

We take proportionate action where people's rights have not been respected. Across 2021/22 we handled almost 35,000 data protection complaints, working with organisations to make changes that encourage confidence in how privacy rights are respected. We responded to people's concerns about nuisance marketing calls and texts from organisations that did not follow the rules. And we continued to support the public around their freedom of information rights.

Protecting vulnerable people

Our wide-ranging regulatory role means we need to focus on areas where poor data protection practices have the greatest impact on people.

Our focus on improving mobile phone extraction practices throughout the criminal justice system shows how we work with organisations to make changes and improvements to comply with the law. Mobile phone extraction (MPE) involves processing personal data extracted from mobile phones. Mobile phones often store huge amounts of sensitive information. This ranges from biometric, financial and medical data to personal information that reveals our location, political and religious beliefs, sexual orientation and ethnic origin. In 2020 our report on mobile phone extraction called for a new statutory code of practice to be implemented across law enforcement. The aim of the new code was to both improve how organisations comply with data protection law and change the culture that allowed unnecessary and unjustified processing of personal data from mobile phones.

In June 2021 an update from Elizabeth Denham stated the report has prompted improvements¹:

- the acting Attorney General has revised his guidelines on disclosure, stressing it is not always necessary to obtain digital materials; and
- the College of Policing has issued operational guidance to police in England and Wales emphasising the need to consider alternatives to

¹ <https://ico.org.uk/about-the-ico/news-and-events/news-and-blogs/2021/06/improving-mobile-phone-data-extraction-practices-across-the-criminal-justice-system-in-the-uk/>

the examination of mobile phones and to extract only the minimum amount of data.

Dating back to 2010, we have repeatedly requested a statutory code of practice in this area. A new power has been added to the draft Police, Crimes, Sentencing and Courts Bill, which was introduced to Parliament in March 2021. However, this is limited in scope and would not address the most significant recommendation of our report. We remain committed to supporting the work that is needed to fully implement our recommendations across the UK and will continue to work with our stakeholders to encourage further changes.

We have also taken action against organisations responsible for unwanted marketing calls, including those targeted at older, vulnerable people. We began investigating a number of businesses that were calling people to sell insurance products or services for white goods. This followed complaints from the public and information from organisations including Action Fraud, Trading Standards and trueCall. Many of the complainants said the people receiving the calls were vulnerable, with some living with dementia.

The resulting ICO investigation found businesses were deliberately targeting older people by buying marketing data lists from third parties. They were also specifically asking for personal information about homeowners who were aged 60 and over and had a landline number. We issued penalties totalling £405,000 to five businesses who were making unlawful, predatory marketing calls and also issued enforcement notices that required them to immediately stop making them.

In September 2021, the Age appropriate design code (AADC) completed its transitional period (the time allowed for organisations to prepare for the code before it came into force). The AADC protects young people by ensuring children's privacy is a fundamental aspect of design for online services. The code sets out standards that services need to follow for children's personal data. This was a major step toward protecting children online through innovative regulatory guidance focused on a privacy by design approach.

We provided support to organisations on how to comply with the AADC. This included publishing advice and explanations of the 15 standards set out in the code in a series of blogs.

We collaborated with the digital design community to create practical guidance to support adherence to the AADC. This included testing our guidance with key stakeholders and inviting feedback from them, running events with the design community to share the new guidance, and gathering more feedback.

We also launched a suite of lesson plans and worksheets aimed at primary and secondary school pupils. These were designed to help them learn about the

power of their personal data online, as well as how to protect their privacy and control what online businesses and platforms know about them.

Throughout the year we engaged with social media platforms, video and music streaming sites, and the gaming industry to encourage organisations to comply with the code.

We published advice on how regulators, technology firms and parents can work together to ensure respect for young people's privacy online and drive action to make the digital world safer for young people.

The code has been the basis of discussions with governments and data protection authorities around the world. Its influence can clearly be seen in the USA where California lawmakers have recently proposed the California Age Appropriate Design Code Bill.

As a result of our proactive work, many businesses in scope of the code had already made changes to how they process children's data by the end of the transition period.

Working with Parliament

We are committed to working constructively with law makers, offering expertise and guidance to ensure the best outcomes for the public.

We provided a response to the Department for Digital, Culture, Media and Sport consultation, "Data: a new direction", in October 2021. Elizabeth Denham welcomed the opportunity to review the UK data protection legal framework and regulatory regime. She highlighted the need for the Government to ensure the UK is fit for the future and able to play a leading role in the global digital economy.

We engaged constructively with the Government in our role as the regulator of the current legislative framework. While it is for government to develop policy we acted as an expert, trusted advisor, bringing our experience of regulating the current legislation and explaining our work to date. We have helped Government build the evidence base for where the legislation could be strengthened, including the enhanced enforcement powers for which will be included in the Data Protection Reform Bill.

Government published their final proposals in June 2022. The Commissioner welcomed the government's ambition to support organisations to grow and innovate whilst maintaining high standards of data protection rights, and expressed his support for a constructive package of reforms that will bring clarity for people and businesses. We will continue to provide constructive input and feedback to the Government as the legislation progresses.

Representing people's rights

We help organisations to build and maintain trust by looking after people's data in ways that are lawful, transparent and fair. This includes organisations keeping it safe, not holding on to it for longer than they need to, and not using it in ways people would not expect.

In November 2021, we set out clear data protection standards that organisations must meet to safeguard people's privacy online when developing new advertising technologies (adtech).² The standards call on Google and other organisations to tackle the privacy risks posed by advertising technologies. They were drawn up in response to the rapid growth of the complex ecosystem of digital advertising, which developed without people's privacy in mind during the e-commerce boom.

Google's Privacy Sandbox aims to replace the use of third-party cookies with alternative technologies that still enable targeted digital advertising. We worked with the Competition and Markets Authority (CMA) to review how Google's Privacy Sandbox will safeguard people's personal data while simultaneously supporting the CMA's mission of ensuring competition in digital markets.

Freedom of expression and information, including a free press, is fundamental to our democracy because it serves to increase knowledge, inform debate and hold the powerful to account. Our work on updating our guidance for the media, through a journalism code of practice, continued during 2021. This provides practical assistance so the right balance is struck between journalism and data protection.³ We put the draft journalism code of practice out for consultation from October 2021 to January 2022. Engaging directly with the sector will ensure the final code and its resources offer practical advice and will support the vital public interest work that journalists carry out.

The fundamental role transparency has in supporting democracy has seldom been clearer than over the last two years. The government has had to make important decisions about civil liberties and public health in response to the COVID-19 pandemic. People have a right to access information from public bodies and an expectation that these bodies will enact proper record keeping and decision-making in accordance with the law. In July 2021, we launched a formal investigation into the use of private correspondence channels at the Department for Health and Social Care (DHSC).⁴ The investigation will establish

² <https://ico.org.uk/about-the-ico/news-and-events/news-and-blogs/2021/11/ico-calls-on-google-and-other-companies-to-eliminate-existing-privacy-risks-posed-by-adtech-industry/>

³ <https://ico.org.uk/about-the-ico/news-and-events/news-and-blogs/2021/05/work-on-updating-the-ico-s-journalism-code-continues/>

⁴ <https://ico.org.uk/about-the-ico/news-and-events/news-and-blogs/2021/07/ico-launches-investigation-into-the-use-of-private-correspondence-channels/>

whether private correspondence channels have been used, and if their use led to breaches of freedom of information or data protection law. We will publish the results of the investigation in due course.

People require transparency and clear explanations for these decisions if they are to trust and understand them. That is why the suggestion that ministers and senior officials were using private email accounts to conduct sensitive official business was a concern.

People have a right to be informed if their data is being collected and shared with others, and organisations have to keep it safe, including limiting who has access to it. In July 2021, we began an investigation into an allegation that images were taken from a DHSC CCTV system without consent from either the CCTV services provider, EMCOR Group (UK) plc, or DHSC.⁵ The images had been published in the Sun newspaper in June 2021. Following the investigation, we made a series of security recommendations to DHSC. Public authorities, such as DHSC, have an obligation to maintain the security of personal information they hold. This obligation extends to contractors discharging functions on behalf of those authorities. The recommendations we made sent a clear signal about our expectations from all those with responsibilities to keep personal information safe. There was insufficient evidence to prosecute the people suspected of unlawfully obtaining the CCTV footage.

This year we published our Openness by design strategic plan which was the culmination of the consultation launched in 2019. The strategic plan sets out a framework to achieve our ambition of encouraging public bodies to comply with the law and reducing the need for citizens to raise appeals with the ICO.

Section 2: Enabling innovation and economic growth

Data is one of modern society's greatest assets and supports innovations that benefit society and support economic growth. These benefits rely on people being willing to share their data, trusting it will be used fairly.

We help organisations to earn that trust, from large global corporations to small businesses and sole traders. We bring certainty in what the law says and show how data protection can be made simple, saving time and money. And we encourage good practices that will enable businesses and government to get value from data while upholding people's fundamental rights.

⁵ <https://ico.org.uk/about-the-ico/news-and-events/news-and-blogs/2021/07/statement-on-ico-investigation-into-department-of-health-and-social-care-cctv-footage/>

Encouraging innovation

One of our priorities is enabling good practice in artificial intelligence (AI). We recognise both the potential benefits that AI technology can bring to society and the importance of public trust in how their data is used.

In July 2021, we launched a beta version of our AI and data protection risk toolkit⁶ to support organisations to navigate their way to compliant and workable AI systems. The toolkit provides organisations with a practical approach to managing data protection within AI technologies. The toolkit builds on our guidance on AI and data protection, and our 'Explaining Decisions Made with AI' guidance which we developed in partnership with the Alan Turing Institute.

We are committed to supporting organisations to create products and services which utilise personal data in innovative and safe ways. We developed the Regulatory Sandbox as a free, professional service for organisations of varying types and sizes across a number of sectors. The aim of the Sandbox is to draw upon our wider expertise to offer advice on mitigating risks and embedding 'data protection by design'. In November 2021 we published our Sandbox beta report which set out the learnings and the improvements we made following the beta phase of the Regulatory Sandbox. We also published three Sandbox exit reports, setting out key findings from the process, for the Gambling Commission, Seers and the Global Cyber Alliance.

In September 2021, we won two Regulators Pioneer Fund Awards to support innovators. 'PETs for Public Good' saw the ICO lead a series of public-facing TechSprints to help stimulate the development and use of privacy-enhancing technologies (PETs). These technologies can help to protect and preserve the privacy of personal data held by businesses and other institutions, while enabling safe, legal and economically valuable data sharing. We piloted 'iAdvice', a direct advice service to innovators on the data protection implications of their novel propositions, complementing the in-depth experimentation environment offered by our Sandbox and the sector outreach offered by our Innovation Hub.

Our Innovation Hub⁷ participated in the Financial Conduct Authority's (FCA) Virtual Women's Economic Empowerment TechSprint, providing advice and expertise on applications of data law.

⁶ <https://ico.org.uk/about-the-ico/news-and-events/news-and-blogs/2021/07/new-toolkit-launched-to-help-organisations-using-ai/>

⁷ <https://ico.org.uk/about-the-ico/news-and-events/news-and-blogs/2021/04/how-the-ico-innovation-hub-is-enabling-innovation-and-economic-growth-through-cross-regulatory-collaboration/>

Through this event we were able to point out and help work through challenges facing the economy and prevent barriers further down the line. To support this work, we also provided useful resources such as the ten top tips for innovators⁸.

Working with businesses

We work alongside businesses, helping them make changes and improvements to comply with the law. This reduces mistakes and misuse of people's data. The advice and support we provide focuses on enabling them to innovate.

We set out the next steps for our Accountability framework. This included case studies to illustrate the innovative ways businesses and organisations can demonstrate accountability. We also ran workshops to look at how we can adapt and improve the self-assessment tool.

In August 2021, we launched a public consultation⁹ on our draft international data transfer agreement (IDTA) and guidance. An IDTA is a contract that organisations can use when transferring data to countries not covered by adequacy decisions. It replaces the standard contractual clauses (SCCs), taking into account the binding judgement of the European Court of Justice in a case commonly known as Schrems II. The IDTA will support the UK's digital economy by continuing to enable the global flow of people's information with the safeguards of high standards of data protection.

Between August and October 2021, we ran a call for views seeking stakeholder and public input into future guidance on data protection and employment practices. Elizabeth Denham sought input from a wide range of relevant stakeholders, including businesses, employees and suppliers of employment technology solutions. We published our summary of all the responses received and will use them to inform our work developing future guidance in this area.

We continue to be visible to the business communities that we support. In May 2021, Elizabeth Denham delivered a keynote speech¹⁰ on how modern data protection is helping to unlock the power of data at the Data and the Future of Financial Services 2021 conference. She highlighted our role in supporting businesses and the importance of data protection as a corporate investment that will unlock the impact and value of data. In February 2022, John Edwards embarked on a major listening exercise to hear directly from business, industry and the public sector about their experiences of data protection and the ICO. This included a survey, as well as a series of events held across the UK. Hearing

⁸ <https://ico.org.uk/about-the-ico/news-and-events/blog-ten-top-tips-for-innovators/>

⁹ <https://ico.org.uk/about-the-ico/news-and-events/news-and-blogs/2021/08/ico-consults-on-data-transferred-outside-of-the-uk/>

¹⁰ <https://ico.org.uk/about-the-ico/news-and-events/news-and-blogs/2021/05/how-modern-data-protection-is-helping-to-unlock-the-power-of-data/>

directly from organisations about their data protection needs and concerns has helped to inform our strategy and improve our offering to business.

Enabling economic growth

We continue to be part of the DRCF. This is made up of CMA, Ofcom and the Financial Conduct Authority (FCA), as well as the ICO. In May 2021, we published a joint statement with the Competition and Markets Authority (CMA)¹¹ setting out shared views on the relationship between competition and data protection in the digital economy. The statement from the UK regulators for competition and data protection was the first of its kind globally. It highlighted the strong overlap between promoting and protecting competition in digital markets and safeguarding people's data.

Data is the lifeblood of any modern business, large or small. Yet unlike their larger counterparts, small businesses do not typically have in-house expertise to help them maximise their use of people's data in a responsible way. Our SME web hub offers a range of resources specifically to support small organisations, helping them understand their obligations and maximise the benefits of using data correctly to successfully run their business.

We also worked to ensure that the consideration of economic impacts was factored into our regulatory work. The COVID-19 pandemic, and the recovery from it, presented challenges for regulators, but also provided a catalyst for innovation and new ways of working. In June 2021 we published a document setting out our regulatory approach during the pandemic¹². We wanted to clearly explain what our commitment to being a pragmatic and empathetic regulator would look like in practice, while reiterating the important role that people's information right would continue to have. Amongst other things we committed to ensuring that the public could raise complaints with us about information rights concerns and that we would continue to prioritise investigations that present the greatest harm to the public. We stated that where we conduct investigations, we will seek to understand the individual challenges faced by organisations and will consider the impact and the present economic situation on the organisation.

In November 2021 we published our COVID-19 and information rights report¹³. The paper focused on information rights regulation issues resulting from the pandemic. Two key areas of focus were how the flexibility of the data protection legislative framework and system of regulation enabled the innovative use of data, and ensuring that people had sufficient trust in the way their data was

¹¹ <https://ico.org.uk/about-the-ico/news-and-events/news-and-blogs/2021/05/ico-and-cma-set-out-blueprint-for-cooperation-in-digital-markets/>

¹² <https://ico.org.uk/media/about-the-ico/documents/2620286/ico-regulatory-approach-20210604.pdf>

¹³ <https://ico.org.uk/about-the-ico/research-and-reports/covid-19-and-information-rights-reflections-and-lessons-learnt-from-the-information-commissioner/>

being used by organisations to guarantee public engagement and support. The paper was aimed at parliamentarians, policy-makers and stakeholders with an interest in service delivery through the pandemic. It complements the evidence that the Commissioner provided to Parliament during the pandemic.

In July, we approved GlobalSign¹⁴ as the UK's first qualified trust service provider (QTSP) under the UK eIDAS regulations. Qualified Trust services are important to businesses as they help provide a high degree of assurance that electronic transactions can happen securely and legally using mechanisms such as electronic signatures, seals and time stamps. QTSPs give business enhanced confidence when transferring information electronically and present an opportunity for growth, development and innovation.

The same month, we formally approved the first three UK GDPR certification scheme¹⁵ criteria in the areas of age assurance, age-appropriate design and asset disposal. For the first time this enables organisations, in alignment with international standards for certification, to get their use of personal data certified as compliant with the law.

Certification was brought in under the UK GDPR as a way to help organisations demonstrate how well they comply with data protection rules. It can also be used to show how they inspire trust and confidence in people who use their products, processes and services.

By approving criteria in these hugely important and fast-moving areas, we are supporting industry by giving them regulatory certainty on the practical application of GDPR, and the ability to make their compliance a differentiator in the market.

Section 3: Raising global data protection standards

UK consumers have an expectation that their data protection rights will be respected regardless of where in the world the company providing the service is based.

We work tirelessly to raise data protection standards both domestically and globally. Our insight, guidance and expertise are respected internationally. We lead the conversation and act as an example to other nations – to influence, educate and inform. Increasing standards is not just good for consumers, it is also good for businesses because it provides a level playing field from which to grow and innovate.

¹⁴ <https://ico.org.uk/about-the-ico/news-and-events/news-and-blogs/2021/07/ico-approves-the-first-uk-eidas-regulations-qualified-trust-service-provider/>

¹⁵ <https://ico.org.uk/about-the-ico/news-and-events/news-and-blogs/2021/08/ico-approves-the-first-uk-gdpr-certification-scheme-criteria/>

Advocating for high standards

Over the past year we have continued to drive up privacy standards through our contribution to multi-lateral data protection and inter-governmental organisations.

Our work on the AADC had influence globally, informing the OECD's revised Recommendation on Children in the Digital Environment, adopted in May 2021, and the July 2021 report of the UN Special Rapporteur on the Right to Privacy on the privacy rights of children.

It is also now a blueprint for laws being drawn up all around the world, making the internet a safer place for children. In February 2022, we welcomed California's plans¹⁶ to introduce a new bill to protect children's data online. This means many of the world's biggest tech businesses will need to limit the amount of data they collect from young people. The move by California to follow in the footsteps of our AADC speaks to the influence and leadership the UK has in the global digital economy. A Californian law would further increase the protections that children have online and continue a global trend towards sensible and practical regulation that keeps children safe to enjoy the benefits of the digital world.

In December 2021 we approved the first three post-Brexit UK Binding Corporate Rules (BCR), with four more approvals following shortly after. BCR are a way for organisations to demonstrate their strong commitments to data protection when transferring information¹⁷. This reflects our commitment to enabling cross-border data flows, whilst maintaining high data protection standards. As the Chair and Secretariat (until Oct 2021) of the Global Privacy Assembly (GPA), a grouping of over 130 global data protection and privacy authorities, we developed the new GPA strategic plan, adopted unanimously at the annual conference. This commits the Assembly to "work towards a global regulatory environment with clear and consistently high standards of data protection". We continued to lead specific workstreams in support of this aim, in particular, about AI and global frameworks and standards.

In June 2021, the UK's own high standards regulatory regime was recognised by the EU, which approved adequacy decisions for the UK allowing the free flow of data from the EEA to the UK. We supported the UK Government's adequacy negotiations throughout. We provided evidence and expert advice, including directly engaging with the EU Commissioner on issues related to our regulatory

¹⁶ <https://ico.org.uk/about-the-ico/news-and-events/news-and-blogs/2022/02/ico-statement-on-californias-plans-to-introduce-new-bill-to-protect-children-s-data-online/>

¹⁷ <https://ico.org.uk/for-organisations/binding-corporate-rules/>

role. The EU Commission's announcement that adequacy decisions¹⁸ for the UK had been approved was recognised as a positive result for UK businesses and organisations.

International regulatory action

Through our co-Chairing of the GPA's International Enforcement Working Group (IEWG), we led efforts to accelerate cooperation on international enforcement on live cases. This enabled us to build our network with other global regulators where cross-border use of data impacts UK citizens. These relationships are helping us to improve multinational businesses' handling of data, reduce risks to UK citizens and build trust in the global data economy. For example, through our joint statements on the global privacy expectations of video conferencing businesses we amplified our voice, alongside five other data protection authorities from around the world. We called for improved privacy practices across the industry, at a time when a sharp uptake in video calling during the pandemic brought about increased risks for collection and use of people's data.

Discussions in the IEWG also led to joint working with the Office of the Australian Information Commissioner to investigate the personal information handling practices of Clearview AI Inc¹⁹. The investigation, which opened in July 2020 and closed in Nov 2021, focused on the company's use of data scraped from the internet and the use of biometrics for facial recognition. We worked together with the OAIC on the evidence-gathering stage of the investigation.

We continued to progress our bilateral relationships to support our regulatory enforcement activity. In May 2021 we signed a Memorandum of Understanding (MoU) with the New Zealand Office of the Privacy Commissioner that recognises the need for increased cross-border enforcement cooperation²⁰. It builds on the existing strong relationship between the ICO and OPC who share a mission to uphold people's information rights, while supporting digital innovation and economic development. In practice, this means both countries can cooperate on data protection issues and jointly investigate cross-border personal data incidents. John Edwards joining as Information Commissioner, having been the New Zealand Privacy Commissioner at the time we signed this MoU, will continue to strengthen this relationship.

¹⁸ <https://ico.org.uk/about-the-ico/news-and-events/news-and-blogs/2021/06/ico-statement-in-response-to-the-eu-commission-s-announcement-on-the-approval-of-the-uk-s-adequacy/>

¹⁹ <https://ico.org.uk/about-the-ico/news-and-events/news-and-blogs/2021/11/clearview-statement/>

²⁰ <https://ico.org.uk/about-the-ico/news-and-events/news-and-blogs/2021/05/ico-and-office-of-the-privacy-commissioner-new-zealand-sign-mou/>

Section 4: Our regulatory action

The ICO is an independent and proportionate regulator. We work with organisations to help them make changes and improvements to comply with the law. Our formal regulatory action is focused on areas where poor data protection practices have the most significant impact on people. This work is guided by our Strategic threat assessment process, which enables us to identify where risk, impact or harm is highest and allocate resources accordingly.

Across the financial year 2021/22, we issued a total of 37 fines and penalties for serious contraventions of the Data Protection Act (DPA) or Privacy and Electronic Communications Regulations (PECR). We issued four DPA fines totalling £633k and 33 PECR penalties totalling £2.9m. The monetary penalties collected by the ICO are paid over to the Government's Consolidated Fund.

UK GDPR fines

Through effective regulation of the UK GDPR we protect vulnerable people in our society. We have strong powers and can apply large fines for serious breaches of UK GDPR – up to £17.5 million or 4% of the total annual worldwide turnover of an enterprise, whichever is higher.

In October 2021, we urged organisations to revisit their bulk email practices after failures by HIV Scotland led to a £10,000 fine²¹. All the email addresses were visible to all recipients, and 65 of the addresses identified people by name. This was a particularly sensitive case because an assumption could be made about people's HIV status or risk from the personal data disclosed. In reaching our decision to impose a penalty that was effective, proportionate and dissuasive, we considered the charity's size and its representations about its financial position.

Discussions at the Global Privacy Assembly's International Enforcement Cooperation Group led to a joint investigation with the Office of the Australian Information Commissioner (OAIC) into Clearview AI Inc's use of images, data scraped from the internet and the use of biometrics for facial recognition. In November 2021, following this investigation, we announced our provisional intent to impose a potential fine of just over £17 million. Our robust response to this wrongdoing sends a clear message and helps to deter bad actors.

In December 2021, we fined the Cabinet Office £500,000²² for disclosing postal addresses of the 2020 New Year Honours recipients online. We found that the Cabinet Office failed to put appropriate technical and organisational measures in

²¹ <https://ico.org.uk/about-the-ico/news-and-events/news-and-blogs/2021/10/ico-warning-after-scottish-charity-reveals-personal-data-in-email-error/>

²² <https://ico.org.uk/about-the-ico/news-and-events/news-and-blogs/2021/12/cabinet-office-fined-500-000-for-new-year-honours-data-breach/>

place to prevent the unauthorised disclosure of people's information in breach of data protection law. At the time of writing, this fine is currently under appeal.

We also issued fines of £98,000 to Tuckers Solicitors LLP²³ and £25,000 to transgender charity Mermaids²⁴ for breaches of the DPA 2018.

PECR fines

We are responsible for making sure organisations follow the rules when it comes to carrying out electronic marketing. In 2021/22 we were active in, among other things, stopping the illegal cold-calling of older people by pension providers.

In December 2021, in a bid to tackle these illegal pension cold calls, we fined EB Associates Group Ltd £140,000²⁵ for instigating more than 107,000 such illegal cold calls to people about pensions. We also ordered EB Associates to stop making illegal calls about pensions or face court action. We know nuisance calls and texts are an invasion of people's privacy and can cause great distress and worry. Across the year, we took robust action against businesses who we found to be ignoring the law.

In June 2021, we fined three businesses a total of £415,000 for nuisance marketing²⁶. We fined Colour Car Sales Ltd £170,000 for sending spam text messages directing people to car finance websites. We fined Solarwave £100,000 for making 73,217 unsolicited marketing calls about solar panel maintenance between January and October 2020. We also fined telephone marketing company LTH Holdings £145,000 for making 1.4 million calls between May 2019 to May 2020 selling funeral plans to people who were registered with the Telephone Preference Service.

In September 2021, we announced fines totalling £495,000²⁷ to well-known businesses that collectively sent more than 354 million nuisance messages.

We fined We Buy Any Car £200,000 for sending more than 191 million emails. The firm also sent 3.6 million nuisance texts. We fined Saga Services Ltd and Saga Personal Finance £150,000 and £75,000 respectively for instigating more than 157 million emails between them. We also fined Sports Direct £70,000 for sending 2.5 million emails. None of the businesses had permission from people to be sent marketing emails or texts.

²³ <https://ico.org.uk/action-weve-taken/enforcement/tuckers-solicitors-llp-mpn/>

²⁴ <https://ico.org.uk/about-the-ico/news-and-events/news-and-blogs/2021/07/ico-fines-transgender-charity-for-data-protection-breach-exposing-sensitive-personal-data/>

²⁵ <https://ico.org.uk/about-the-ico/news-and-events/news-and-blogs/2021/12/ico-issues-its-largest-fine-to-tackle-illegal-pension-cold-calls/>

²⁶ <https://ico.org.uk/about-the-ico/news-and-events/news-and-blogs/2021/06/ico-fines-three-companies-415-000-for-nuisance-marketing/>

²⁷ <https://ico.org.uk/about-the-ico/news-and-events/news-and-blogs/2021/09/we-buy-any-car-sports-direct-and-saga-fined-495-000/>

In February 2022, we fined home improvement firm Home2Sense £200,000 for making more than half-a-million unsolicited marketing calls.

We also continued to take action against businesses exploiting the COVID-19 pandemic through nuisance marketing. In May 2021, we fined Tested.me Ltd £8,000²⁸ for sending direct marketing emails to people who had provided their personal data for contact tracing purposes. The company had sent nearly 84,000 nuisance emails between September and November 2020, at the height of the COVID-19 pandemic. This was during a time when businesses were using private QR code providers to collect personal data to meet the Government's contact tracing rules.

Separately, we responded to the rise in the use of QR code technology by contacting 16 QR code providers to ensure they were handling people's personal information properly.

Reprimands

We issued 24 reprimands over the year requiring organisations to improve their data protection practices. This included serving a reprimand to the Scottish Government and NHS National Services Scotland over both organisations' failure to provide people with clear information about how their personal information, including sensitive health data, was being used by the NHS Scotland COVID Status app.

Section 5: Supporting the public sector

The public sector continues to grow digital capabilities, services and data-driven solutions that are making a real difference to people's lives. Public trust in how data is shared and used is essential for this public sector transformation to succeed.

We support organisations to deliver the innovations that people need, while building trust and complying with the law. We also encourage the public sector to put transparency and accountability at the heart of their decision-making and our work regulating the Freedom of Information Act 2000 is central to this.

Promoting data sharing in the public sector

The public have an expectation of high standards when their data is shared with public sector bodies. In February 2022, we invited organisations in the health sector²⁹ to workshops on privacy-enhancing technologies (PETs). PETs help organisations implement and improve data protection by design which means

²⁸ <https://ico.org.uk/about-the-ico/news-and-events/news-and-blogs/2021/05/ico-takes-action-against-contact-tracing-qr-code-provider/>

²⁹ <https://ico.org.uk/about-the-ico/news-and-events/news-and-blogs/2022/02/ico-consults-health-organisations-to-shape-thinking-on-privacy-enhancing-technologies/>

high standards are in place before they start using and sharing people's personal information. This could be through traditional methods such as encryption, or more advanced ones such as digital signatures. We have set out how PETs can facilitate safe, legal and economically valuable data sharing in healthcare environments. Our work in this area has helped public sector bodies to make better use of their data, while ensuring privacy, clarity and consistency in how they share it.

People rightly expect their vital interests will be protected in an emergency – without the rules around data sharing getting in the way. We set out guidance for universities and colleges³⁰ on sharing personal data in emergency situations. Our approach has always been to be pragmatic and proportionate. Our guidance makes clear that we do not seek to penalise organisations for acting in good faith and in the public interest in an urgent or emergency situation. We set out steps to help universities and colleges feel confident they can share people's information lawfully. These included planning ahead, having a data-sharing agreement in place, training staff and accessing our data-sharing resources. We've shown how sharing data between organisations – done correctly – helps save lives and protects young people.

In May 2021 the Government laid the Data sharing code of practice before Parliament. The new data sharing code gives businesses and organisations the confidence to share data in a fair, safe and transparent way. We continue to provide clarity and advice in how to share data in line with the law. The code, together with the products and toolkits we published alongside it, provide a gateway to good data sharing practice and the benefits we can expect from the results.

Supporting the public sector through COVID-19

The pandemic brought many new challenges for the public sector. Our ongoing support offered organisations focused guidance and dedicated advice through a very challenging period.

We updated our regulatory approach³¹ providing clarity to organisations both during the pandemic and beyond. This included emphasising the need for practical government guidance to support venues ahead of the introduction of COVID pass checks.

³⁰ <https://ico.org.uk/about-the-ico/news-and-events/news-and-blogs/2021/09/sharing-personal-data-in-an-emergency-a-guide-for-universities-and-colleges/>

³¹ <https://ico.org.uk/about-the-ico/news-and-events/news-and-blogs/2021/07/regulating-through-a-pandemic-and-beyond/>

We also issued NHS Test and Trace³² with recommendations to strengthen the protection of people's personal data so it could continue to help tackle the pandemic. The recommendations were the result of a consensual audit agreed with DHSC. The audit, which took place in summer 2021, checked DHSC's compliance with data protection legislation. We highlighted areas where they could handle people's information more safely and transparently.

The audit proposed recommendations to strengthen the protection of personal data. This included expanding NHS Test and Trace's programme of staff training to include tailored courses, developing and communicating additional processes and policies to staff, and adding auditing mechanisms to ensure staff and third parties follow agreed processes.

The UK Health Security Agency (UKHSA), which took responsibility for NHS Test and Trace in October 2021, agreed to these recommendations and provided a detailed action plan outlining their response and progress.

Supporting transparency

Public sector leaders appreciate the role transparency plays in the successful delivery of their services. People need to trust organisations will only use their data in ways that are safe, lawful and fair. Where organisations fall short of the high standards expected of them, we have a range of enforcement powers to deploy. Practice recommendations are an important power which enable us to set out improvements a public authority should make. We issue them when we are concerned the codes of practice set by the Government are not being adhered to.

For example, in July 2021, we served a practice recommendation on Sussex Police. We had seen a pattern of poor compliance from the force resulting in more people seeking our help to get responses to their information requests. This led to us working with the force to support improvements in its practices and reduce the number of complaints brought to us.

However, the situation did not improve, and further issues came to light. These included multiple failures to comply with our formal decision notices and information notices in time, as well as poor-quality responses to requesters and to our case officers' investigations. We concluded Sussex Police practices were not good enough. We issued a practice recommendation setting out how they should address issues surrounding transparency and accountability. We continue to work with the force to ensure recommendations are put into practice to improve the experiences of people who seek public information.

³² <https://ico.org.uk/about-the-ico/news-and-events/news-and-blogs/2021/12/ico-and-nhs-test-and-trace-agree-data-protection-improvements-following-consensual-audit/>

In August 2021 we published a new resource³³ to help public sector organisations understand when the direct marketing rules apply to their messages. This guidance helps these organisations understand how to send promotional messages in ways that comply with the law and make more effective marketing choices.

Section 6: Delivering the ICO service experience

We are committed to delivering reliable and responsive services to all our customers. We recognise that, in some areas, our performance this year has fallen short of our service standards as we continue to recover from the impact of the pandemic. We have put plans in place to address this and have implemented a number of service focused initiatives aimed at improving the overall customer experience when accessing our services and products. We will continue to focus on recovering and improving our services to meet our performance standards and then achieving beyond this wherever possible.

Publication of our Service Charter

In October 2021 we published our Service Charter³⁴. The charter sets out what our customers can expect from us and what we ask from people and organisations when they contact us. The customer service principles contained in the charter apply to how we deliver all our services. This includes when customers contact us seeking advice and guidance, to pay a fee, report a breach or a change of circumstances, or complain about an organisation's information rights practices.

The charter covers our commitment to providing a timely and reliable service aligned to our service standards. These standards and our performance against them are contained in our Management Board Scorecard, which is also published on our website³⁵.

The charter also sits alongside three customer policies which explain in detail:

- our commitment and approach to providing reasonable adjustments for our customers;
- how our customers can raise a complaint if dissatisfied with our service; and
- our commitment to ensuring that our staff are treated with dignity and respect.

³³ <https://ico.org.uk/about-the-ico/news-and-events/news-and-blogs/2021/08/new-guidance-on-direct-marketing-and-the-public-sector/>

³⁴ <https://ico.org.uk/media/about-the-ico/service-standards/4018507/ico-service-charter.pdf>

³⁵ <https://ico.org.uk/about-the-ico/our-information/our-performance/>

We are held accountable for performance and delivery against this charter.

Automating the Data protection feepayers' journey

We introduced new technology to help organisations pay the data protection fee and manage their registration. This has increased the number of transactions customers are able to complete outside our live service opening hours.

In September 2021, we introduced a digital assistant to guide customers through the data protection fee-paying journey and answer related questions. Last year this handled around 110,000 customer queries. In October 2021, we implemented technology to automate some requests to change registration details. Last year this automated 15,000 changes to registration records, which we will increase in 2022/23.

ICO Customer satisfaction survey

In late 2021 as a member of the Institute of Customer Service (ICS), we took part in the ICS business benchmarking survey. This is the UK's largest cross sector customer benchmarking study, with over 10,000 customers across 13 sectors.

We did this so that we could hear directly from our customers and better understand where we were doing well, and where we might need to make improvements across our services.

The survey focused on 26 measures split across five customer priority areas, including customer experience, complaints handling, emotional connection, customer ethos and ethics. We surveyed customers from across all our main frontline service areas, including Business Services, Public Advice and Data Protection Complaints, FOI casework, Information Access, and ICO Regions.

The results were encouraging and told us that our overall customer satisfaction index (CSI) score is 69.4, a respectable baseline score that is only 0.6 of a point away from us being able to apply for the ICS Quality Mark Accreditation.

We did well in areas related to customer experience and ethics, with our customers rating us highly around:

- helpfulness and competency of staff;
- ease of access to our services;
- ease of use of our website;
- openness and transparency; and
- reputation.

However, we have improvements to make in how we handle service complaints. The ICS has advised us that complaint handling is always the lowest scoring area across all sectors, but it would be reasonable to expect a regulator such as the ICO to be able to score highly on the handling of the complaint, staff attitude

and speed of response, even if we are unable to provide the customer with their preferred outcome.

This insight and feedback from our customers has been invaluable and we will use this to help shape our continuous improvement plans for the coming year.

Full details of our operational performance follow in this report. Details of our focus on the wellbeing of our staff this year can be found in the 'Employee involvement and wellbeing' section, in Part B of the report.

Annex: Operational performance

Data protection complaints

2021/22 followed a similar pattern to previous years, in terms of number and types of complaints being raised with us. We continued to deal with issues that people feel are important to them, in considerable volume. But we did not see a major rise in data protection related issues being shared with us, as the country moved to a new normal and a return to business as usual. We remained active throughout the year, and it was clear that the vast majority of organisations had adapted to new working practices and continued to take their data protection obligations seriously.

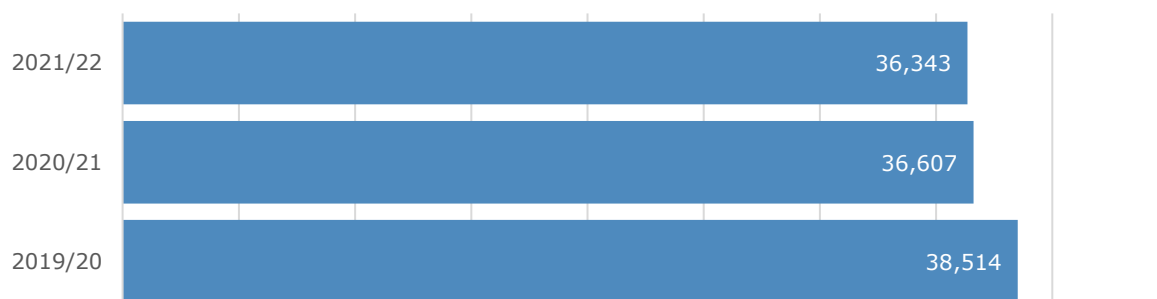
We received a little over 36,000 individual cases, which is slightly less than we received in 2020/21, and fewer still than we received in 2019/20. Our approach has been to ask organisations to do more where they can, to resolve outstanding issues, especially where we thought that there was real opportunity to do so. This also allows organisations to show why people should trust that they are handling personal data responsibly and in accordance with the law. As a result, we were able to provide outcome decisions in over 41,000 cases, which meant completing more casework than ever before. We issued just under 15,000 outcome decisions, where there had been a likely infringement of the law. We offered advice and recommendations to improve information rights handling in the future, but we also did that too in cases that had come to us too early, or where we explained to the person that we didn't think the processing was inappropriate.

We were able to reduce our overall caseload from over 12,000 to around 8,900 cases. This equates to less than three months' worth of complaints received being live. In real terms for those that have asked for our help, it meant that we were getting to cases quicker. We assessed and responded to 92% of data protection concerns and reached decisions in over 88% of cases well within six months of receipt. We continue to work toward our stated target of over 80% of decisions being issued with three months. Our overarching aim is to look at complaints raised with us in real time, with no wait for allocation. We expect that will be possible in the months ahead, if we continue to make the significant progress that we have to date.

To do that we need to continue to bring in good quality staff. We have increased the speed at which we can recruit against vacancies and invested in a training school. This allows our new entrants to receive high quality support and training before they are quickly able to offer decisions, support and advice to all parties. We continue to invest in our staff and have a number of improvement projects underway for delivery in 2022/23. We expect these will enhance the services we offer, both through self-service options for those that choose to use them and a

more helpful customer journey. This means that those contacting us will be clear about how we approach our complaints work and how we can offer assistance to those that need it.

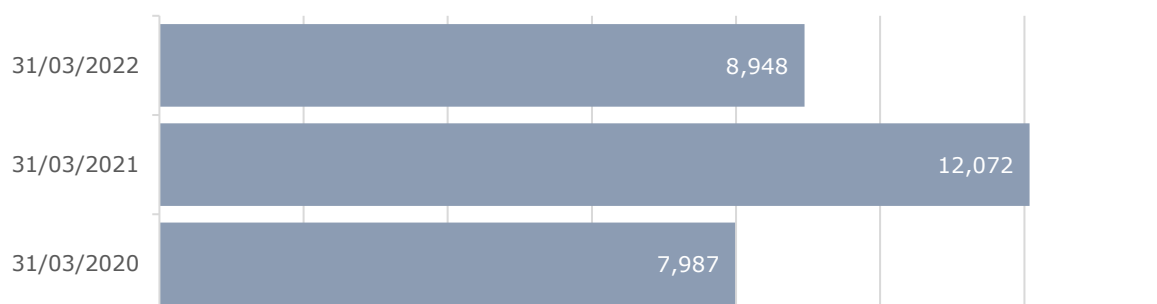
DP complaint cases received



DP complaint cases finished

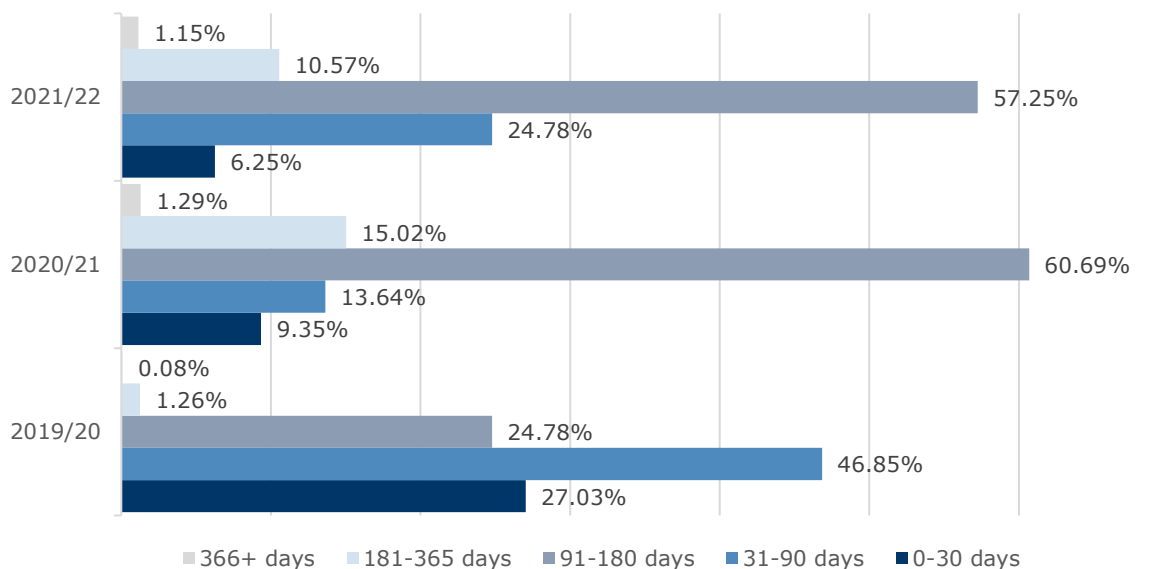


Caseload



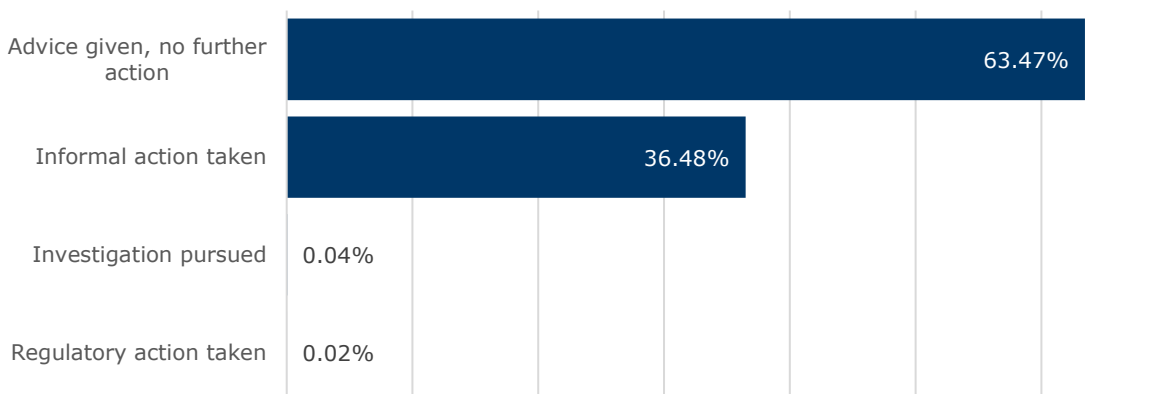
Note: In our casework system, cases can move between caseload classifications. Therefore, the figure calculated by taking the caseload as at 31 March 2021, adding cases received during 2021/22 and subtracting cases closed during 2021/22, does not add up to the caseload as at 31 March 2022.

Age distribution of finished cases



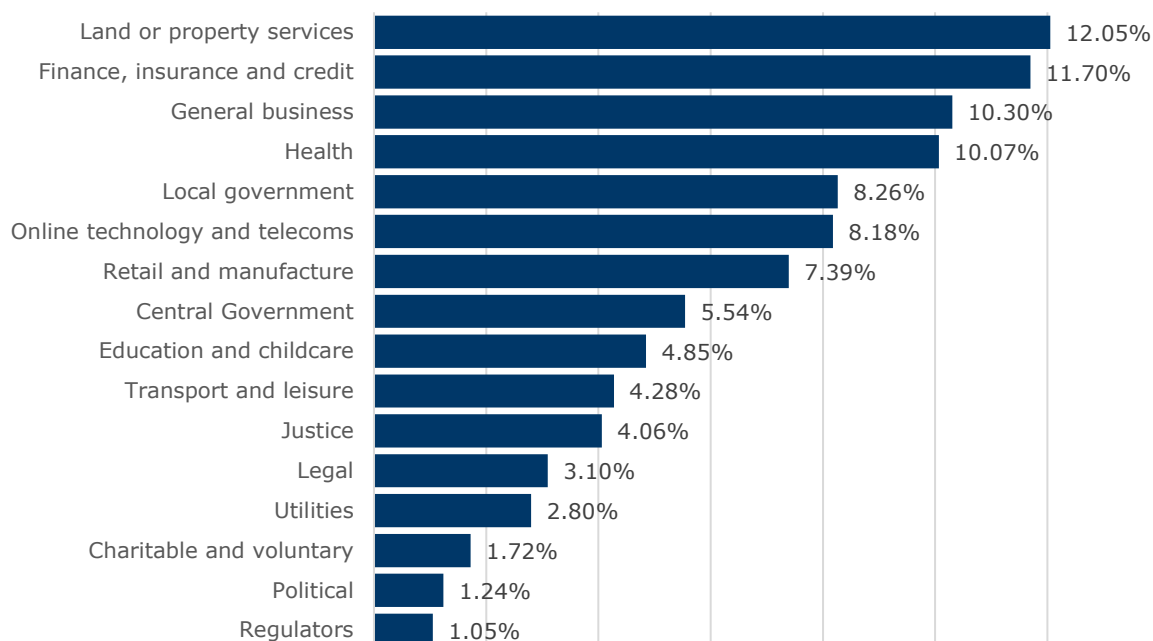
The totals in the chart above do not sum to 100% due to rounding.

High level outcomes 2021/22

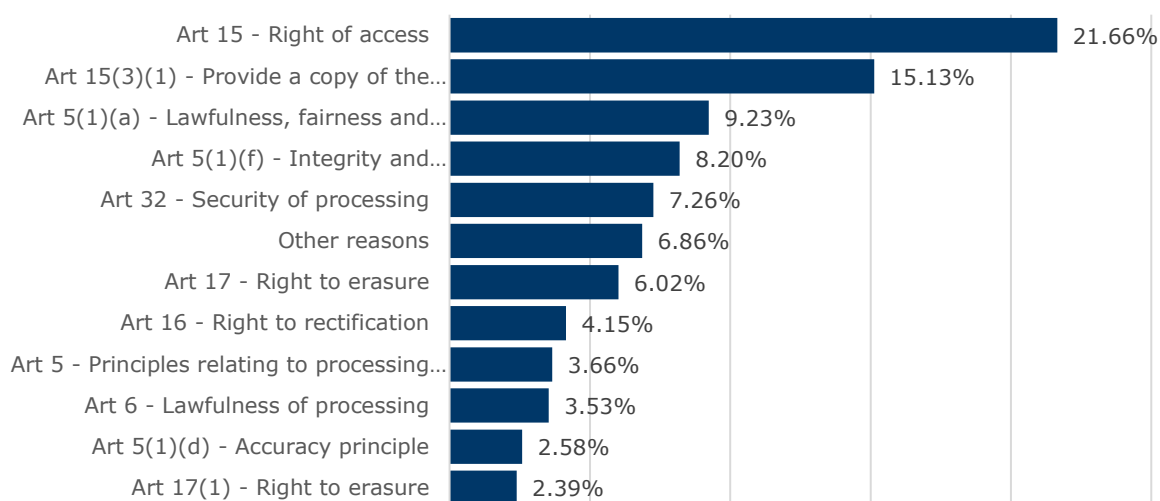


The totals in the chart above do not sum to 100% due to rounding. Due to outcome classification changes made when we moved to new casework management system for data protection complaints at the start of 2021/22, no comparative data for outcomes is currently available.

Sectors generating most complaints 2021/22



Top reasons for completed complaints



Freedom of information complaints

Following the impact of the pandemic in 2020/21, we saw the number of complaints we received return to previous levels, with 6,361 complaints compared to 6,367 in 2019/20.

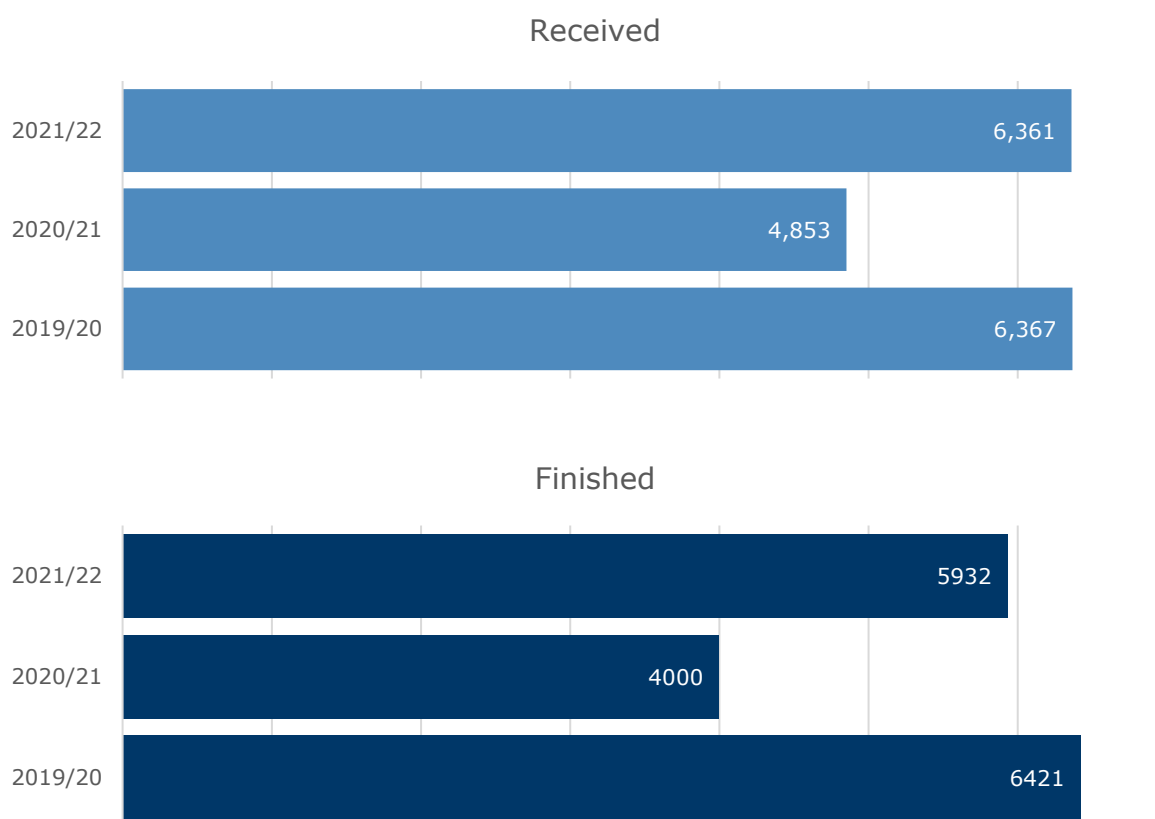
We closed 5,932 cases compared to 4,000 the previous year during the height of the pandemic and 6,421 in 2019/20. Although since June 2021, our performance was broadly comparable with that of pre-pandemic years. In practice, however,

the impact of the pandemic across 2020/21 and into the start of 2021/22 meant that our active caseload rose to 2,227 cases, compared to 1,222 cases in 2019/20. Following the 3-year Comprehensive Spending Review, we will be able to allocate more resources to our FOI functions and have plans in place to reduce our active caseload back down to, and then improved from, our pre-pandemic average over the next 18 months. The additional funds we have available will also enable us to invest more in the team strategically across the next three years and we will be recruiting staff to support a new 'upstream regulation' team. This will help us develop more tools and training to support public bodies in getting cases right first time.

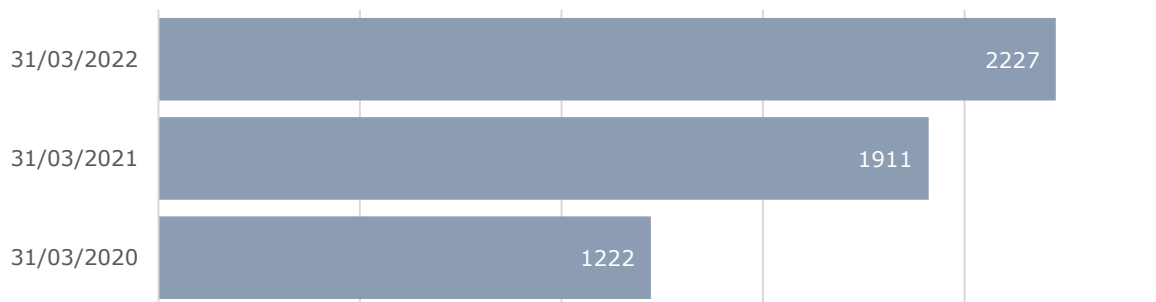
As a result of our active caseload volume, our other performance measures were affected. We cleared 70% of our cases within six months against a target of 80% and almost 7% of our caseload is over one year old. The additional resources we will be able to put into the service over the next 18 months will help us tackle this, including a reduction in the number of cases that are over one year old back down to less than 1%.

We issued 1,409 statutory decision notices, compared to 1,062 in 2020/21 and 1,446 in 2019/20.

FOI complaints

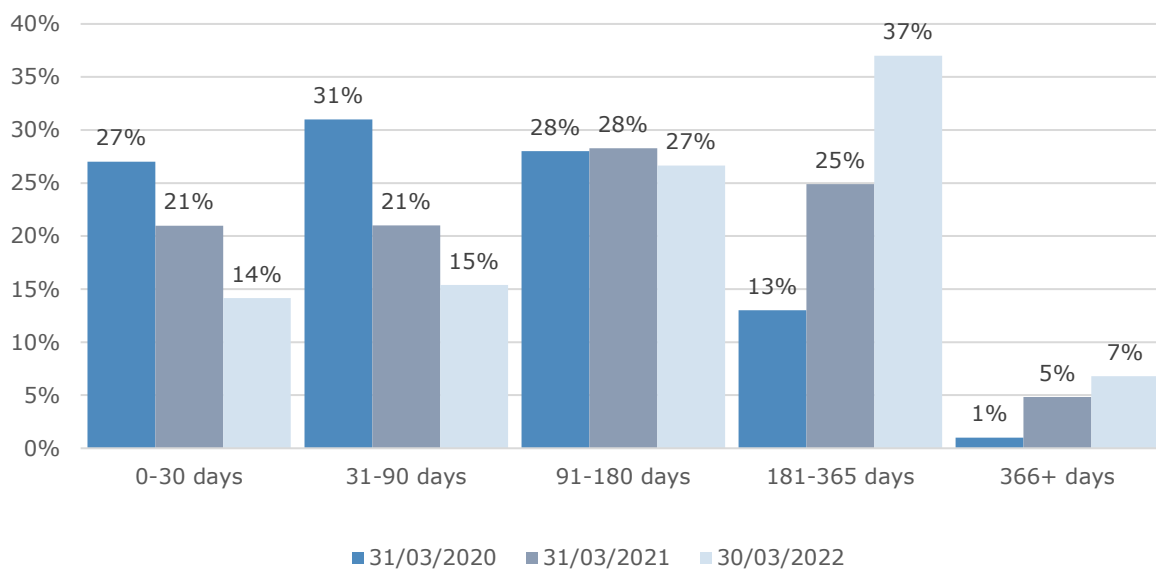


Caseload

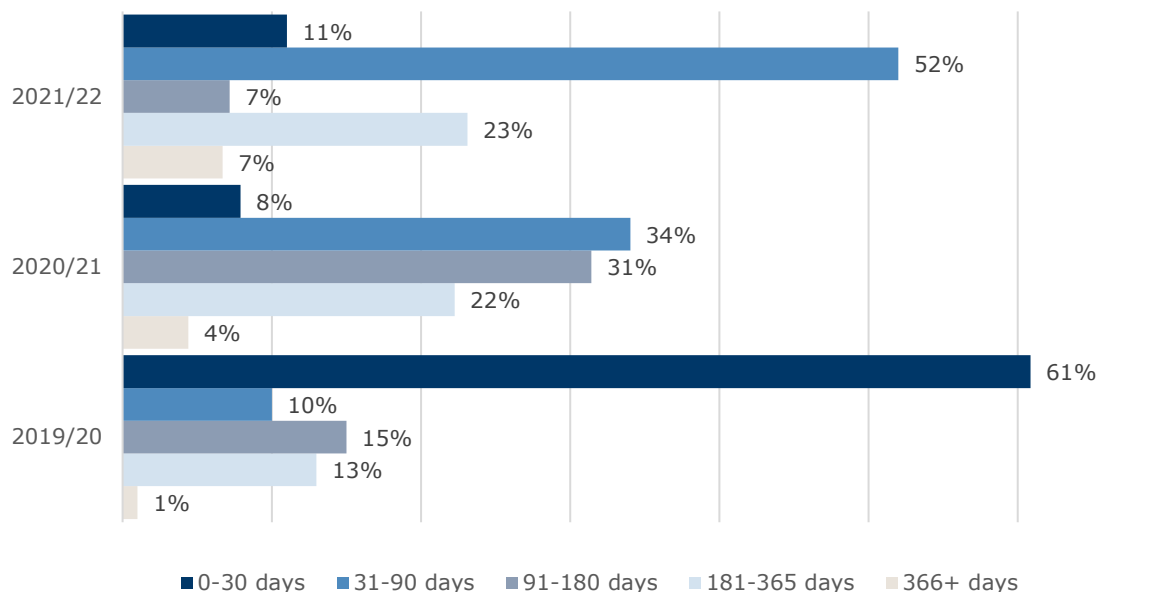


Note: In our casework system, cases can move between caseload classifications. Therefore, the figure calculated by taking the caseload as at 31 March 2021, adding cases received during 2021/22 and subtracting cases closed during 2021/22, does not add up to the caseload as at 31 March 2022.

Age distribution of caseload at 31 March

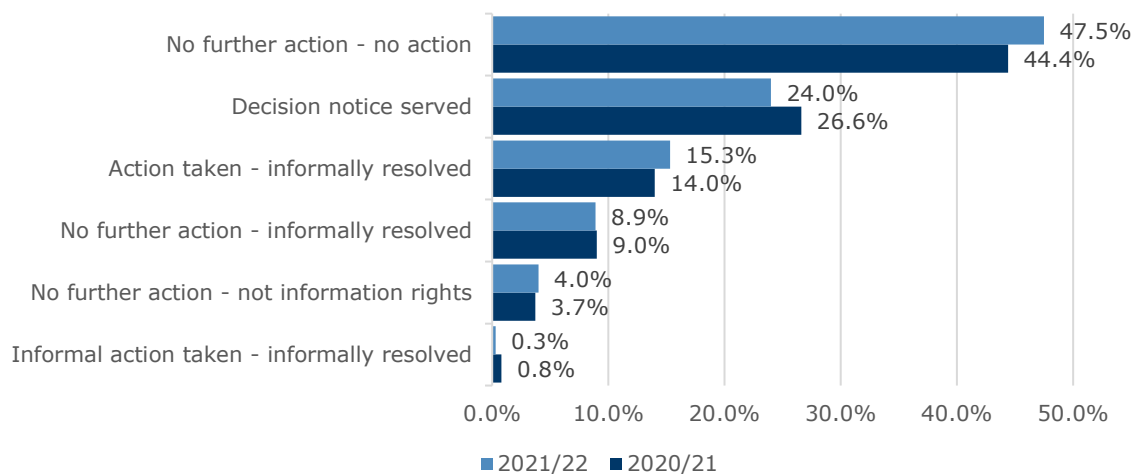


Age distribution of finished cases



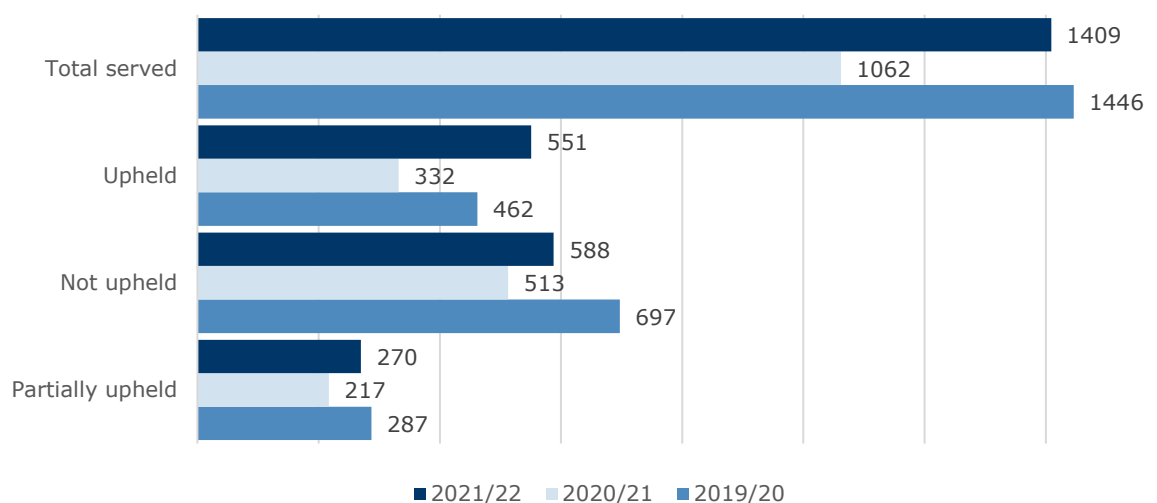
The totals in the chart above do not sum to 100% due to rounding.

Outcomes

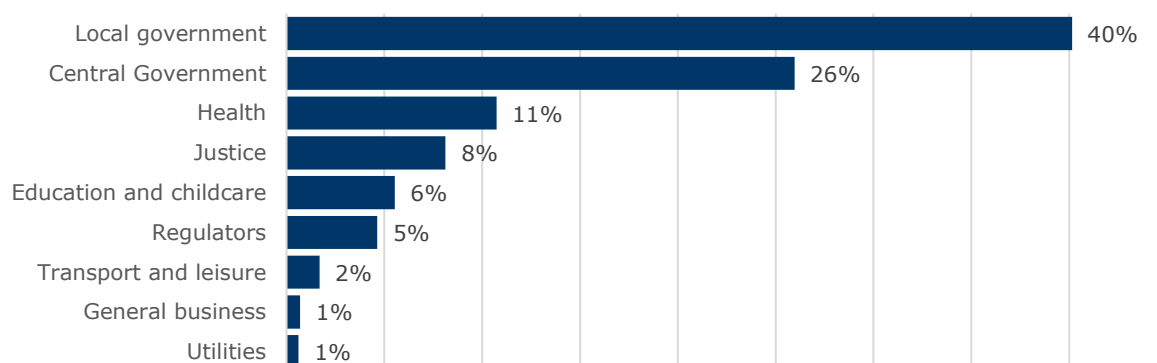


Due to outcome classification changes made when we moved to new casework management system for freedom of information complaints at the start of 2020/21, comparative data for outcomes is currently only available for two years.

Outcome of a complaint where a decision notice is served



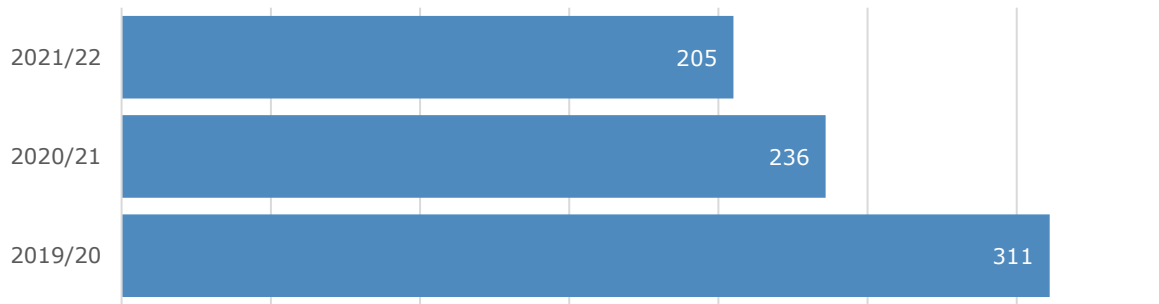
Sectors generating most complaints 2021/22



FOI appeals

Each party to a decision notice has the right to appeal the decision to the First-tier Tribunal (Information Rights). The proportion of decision notices appealed to the First-tier Tribunal was 14%, which was lower than previous years. Of all cases closed 2021/22, 74% were successfully defended. The number of appeals to the Upper Tribunal has risen.

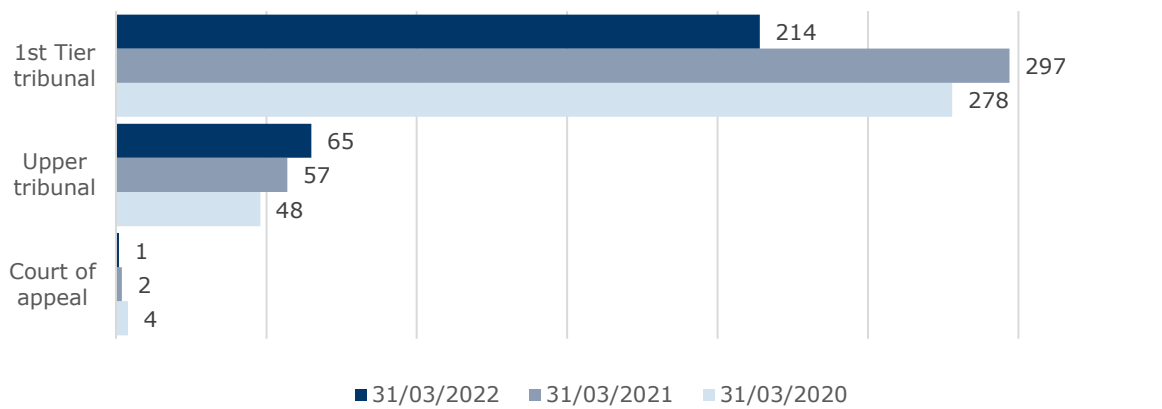
Appeals made to Tribunal



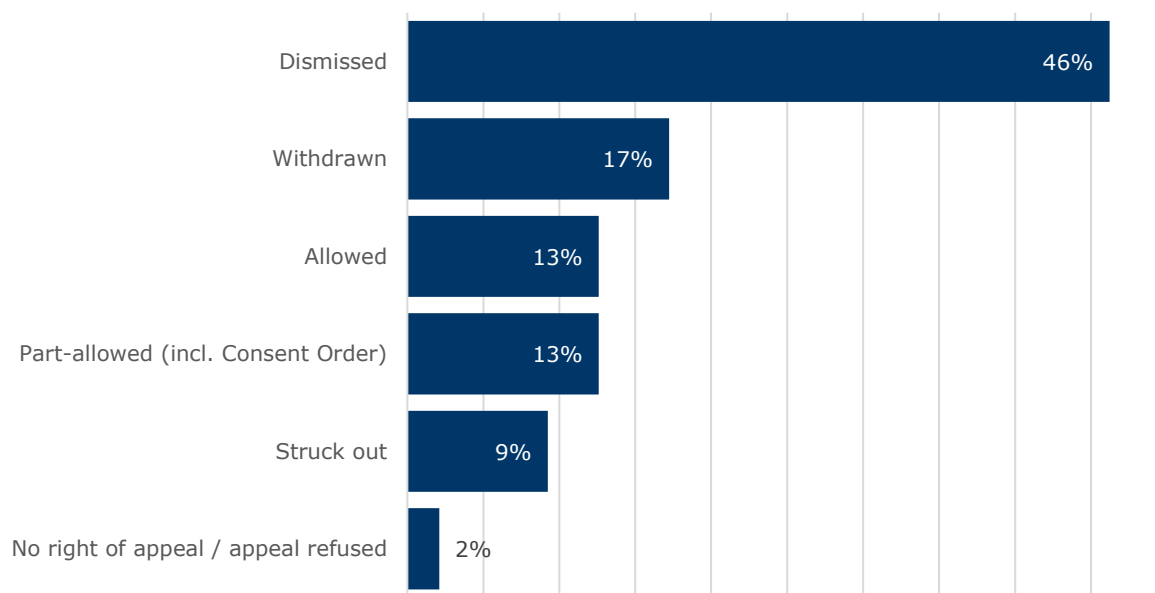
Finished



Caseload



Outcomes of appeals finished



Advice services

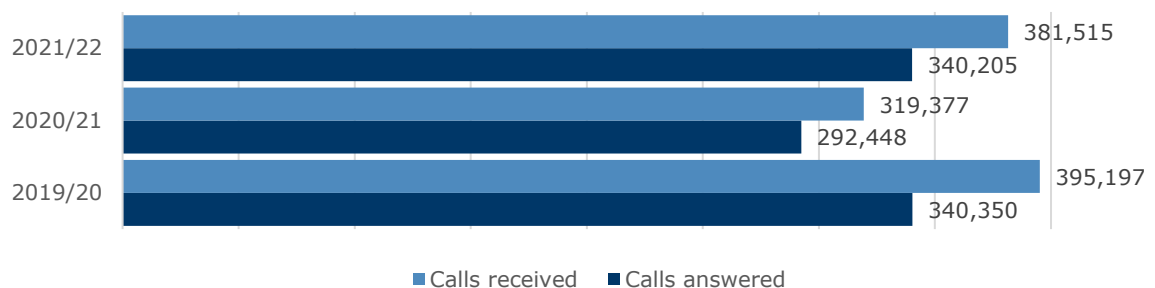
We continued to provide advice, help and support to organisations and the public during the ongoing pandemic, and associated social restrictions.

Demand for our services remained high with organisations and the public accessing information rights advice by email, telephone or live chat.

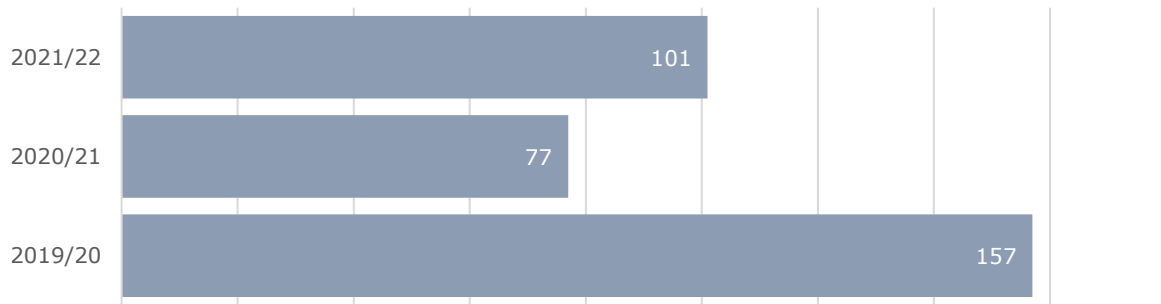
We received 381,515 calls to our helplines and answered 340,205 which equates to 86%, with the average wait time of 101 seconds. In addition, we answered over 73,518 requests for live chat and 9,038 requests for written advice.

The volume of written (email or postal) requests for advice has reduced, as we have encouraged customers to contact us on our live services for help and support.

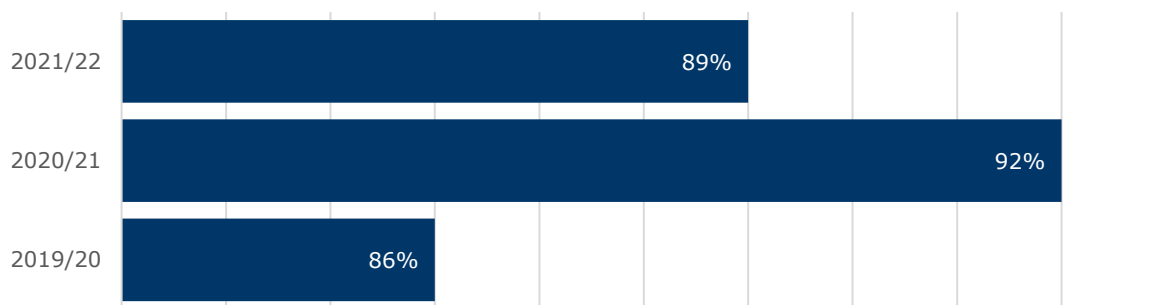
Calls to the helpline



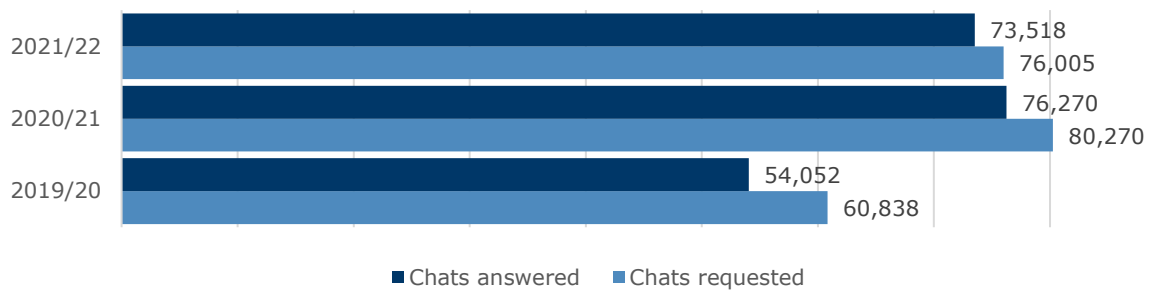
Call answer rates - Average wait time (seconds)



Call answer rates - Percentage answered

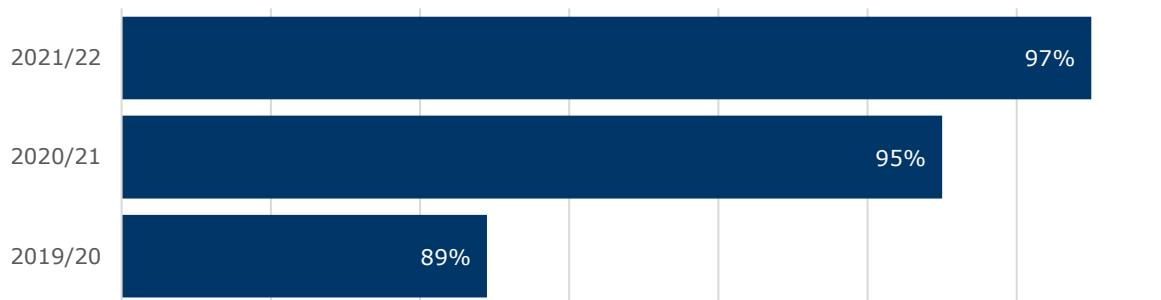


Live chat

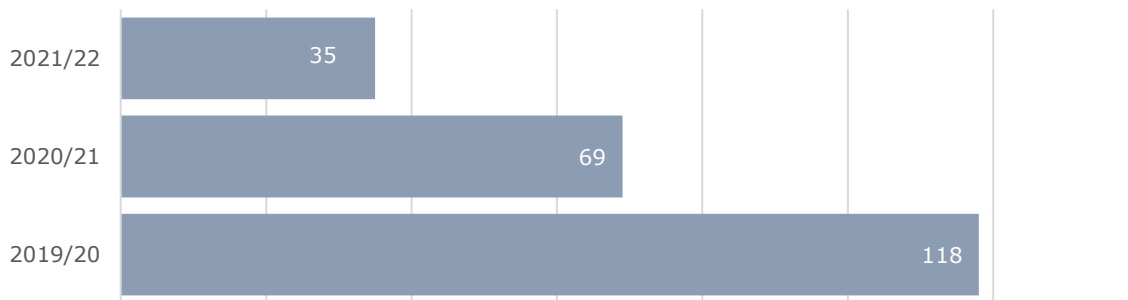


■ Chats answered ■ Chats requested

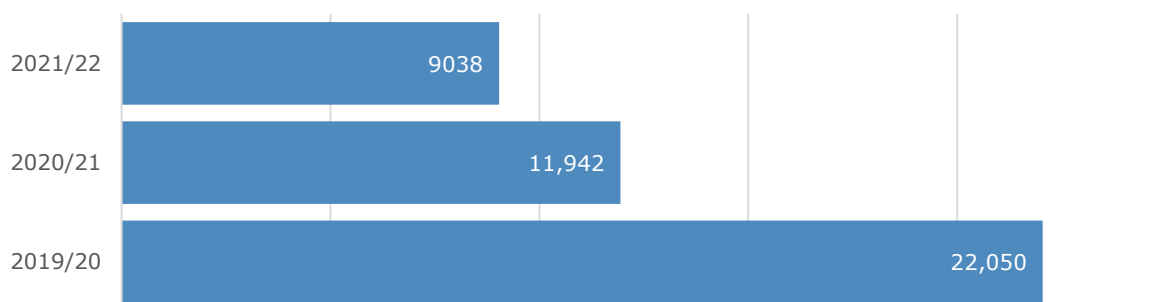
Chat answer rates - Percentage answered



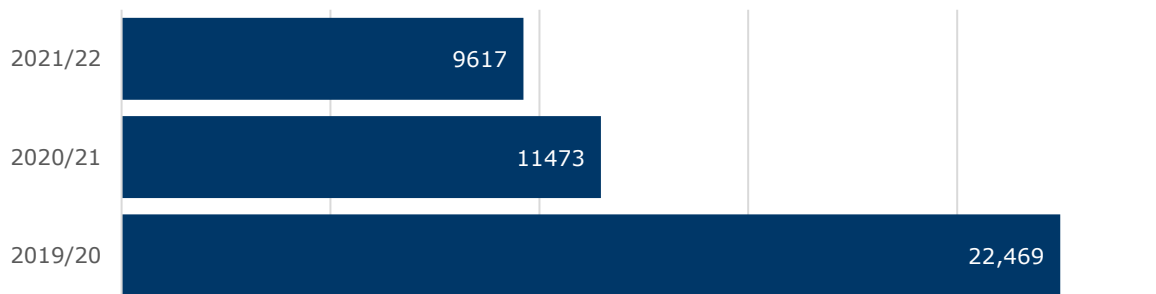
Chat answer rates - Average wait time (seconds)



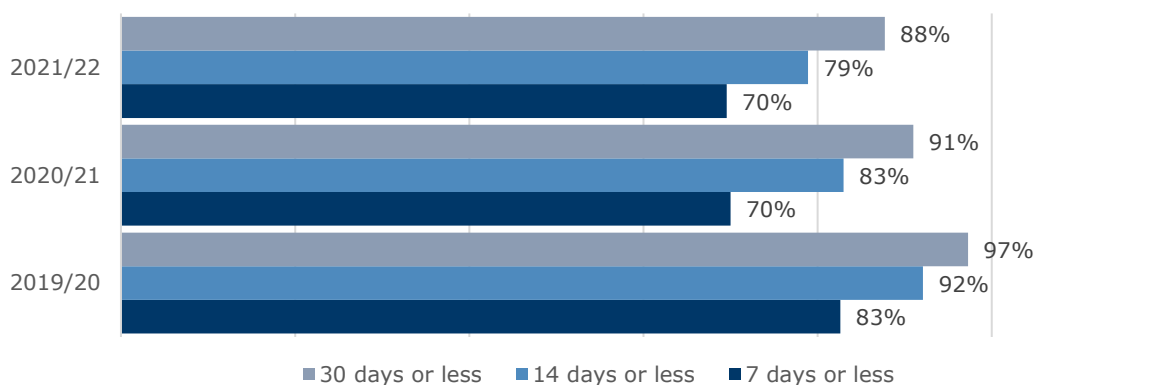
Written advice - Requests received



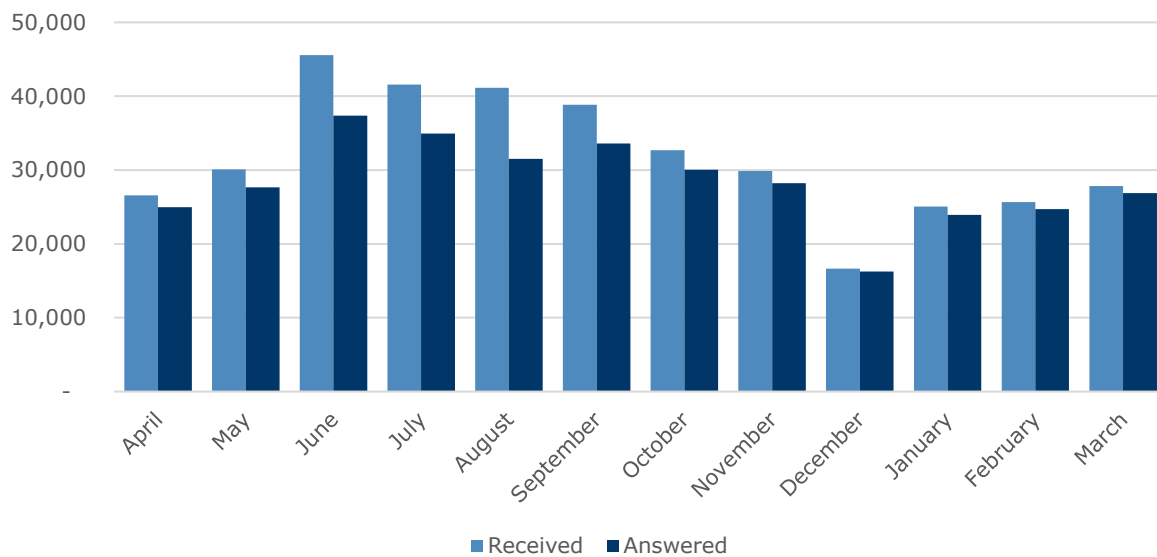
Written advice - Finished



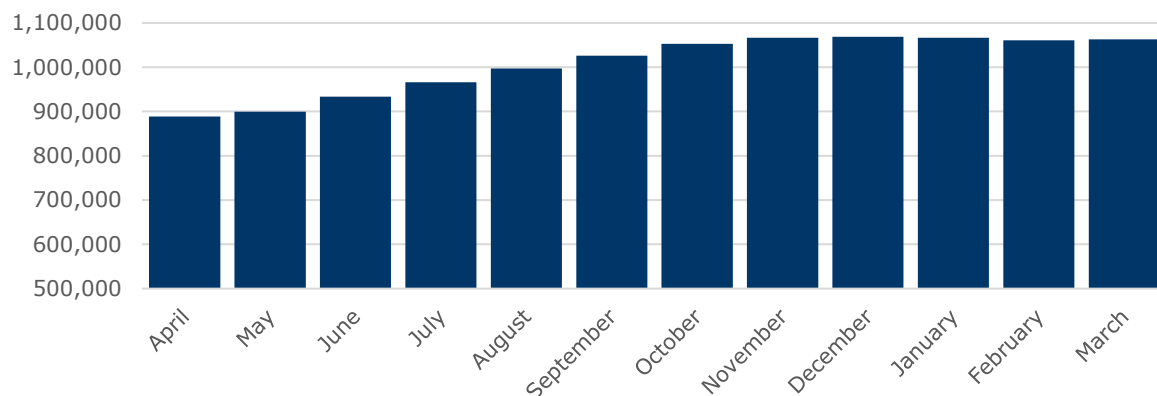
Age distribution of finished advice work



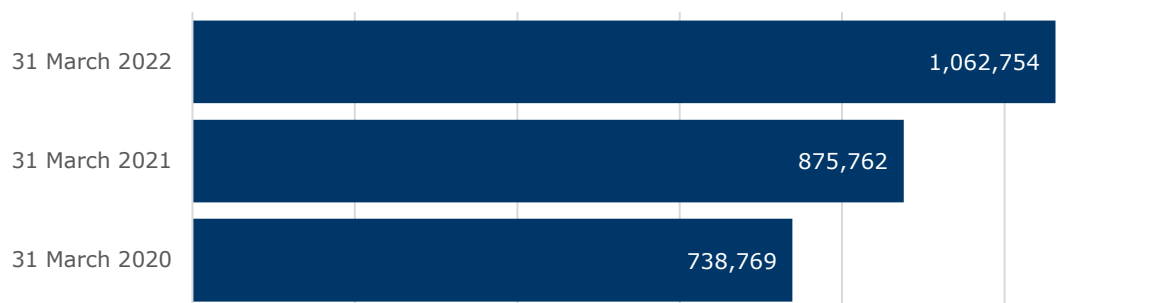
Helpline calls 2021/22



Size of public register 2021/22



Public register as at year end



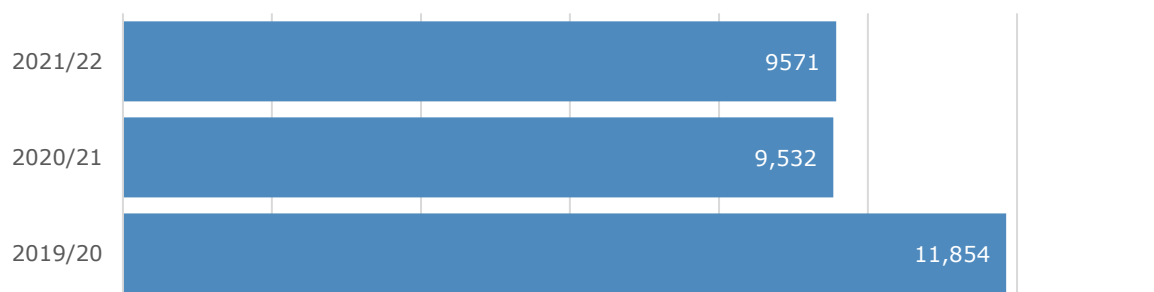
Personal data breach reports

Our personal data breach work was consistent with previous years.

We received a similar amount of breach reports as the year before. The highest reporting sectors continued to be those with more mature incident reporting regimes; health, followed by education and childcare. Again, in most cases, it was our view that the organisation had taken – or was taking – appropriate steps to address the breach without us needing to take further action. But, we continued to offer advice and recommendations to help improve information rights practices.

We also started to publish a data security incident trends dashboard³⁶. This helps organisations understand the breaches we are seeing so they can take steps to review and strengthen their approach to security in the areas where we most commonly see breaches.

Personal data breaches - Received

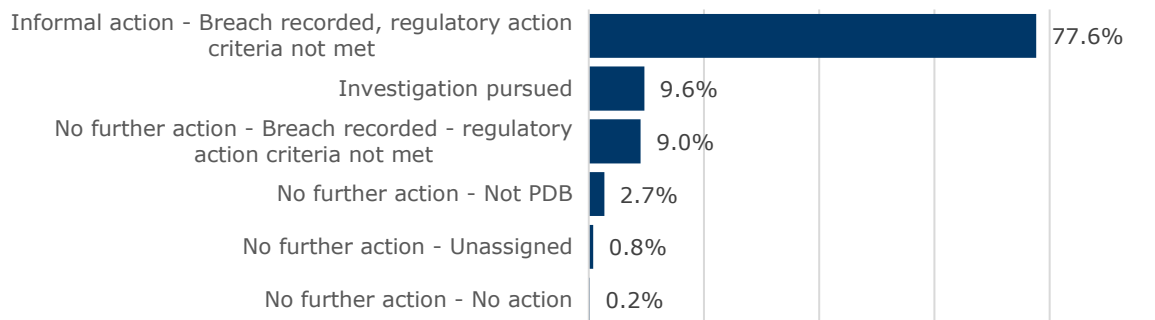


Personal data breaches - Finished



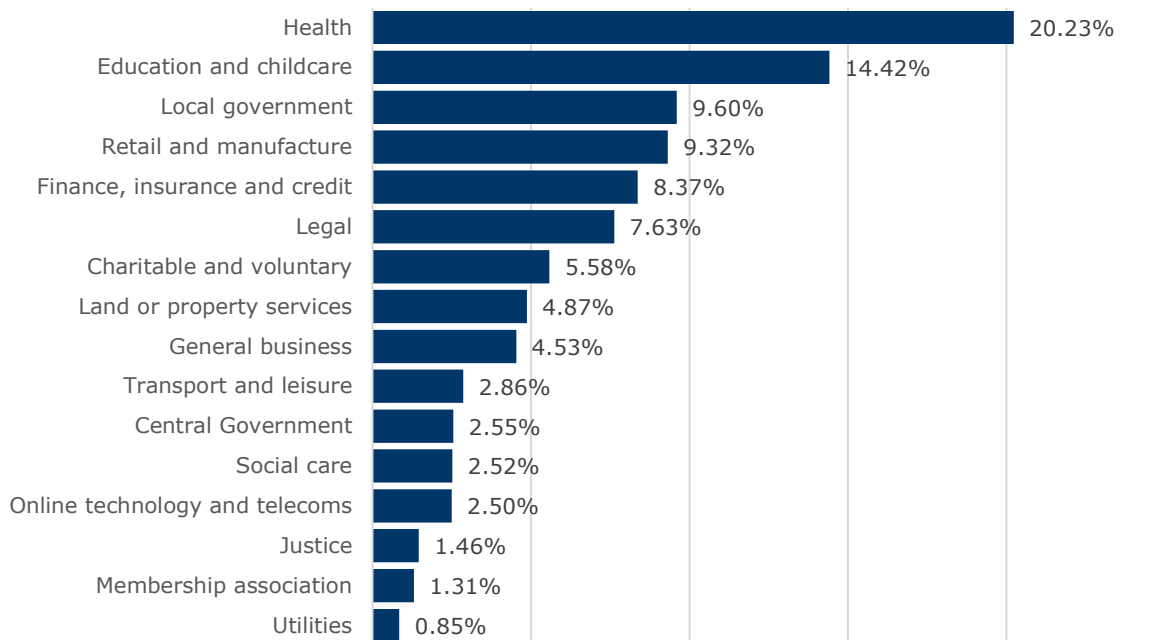
³⁶ <https://ico.org.uk/action-weve-taken/data-security-incident-trends/>

Personal data breaches - Outcomes



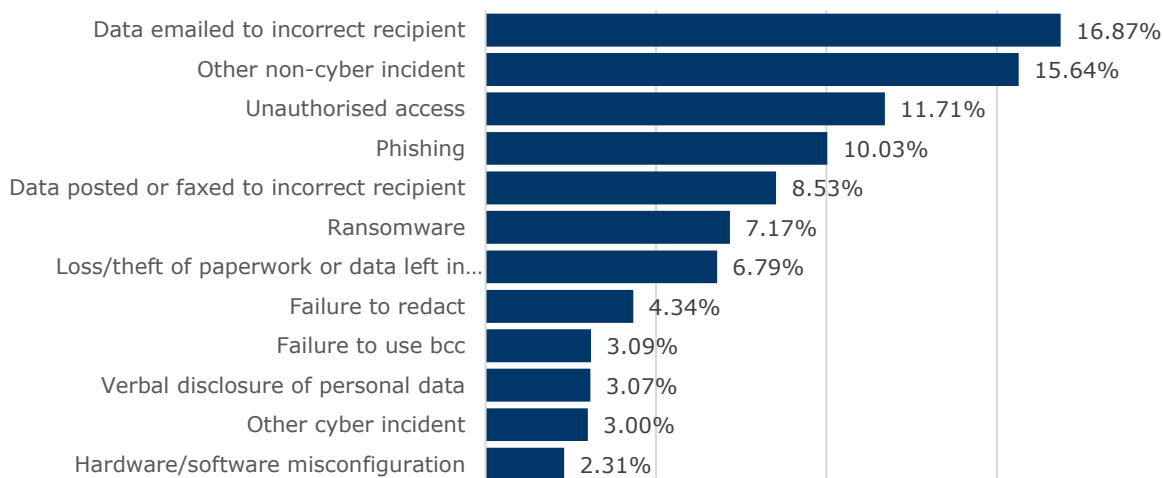
The totals in the chart above do not sum to 100% due to rounding.

Sectors generating most PDB



This is not an exhaustive list so does not sum to 100%.

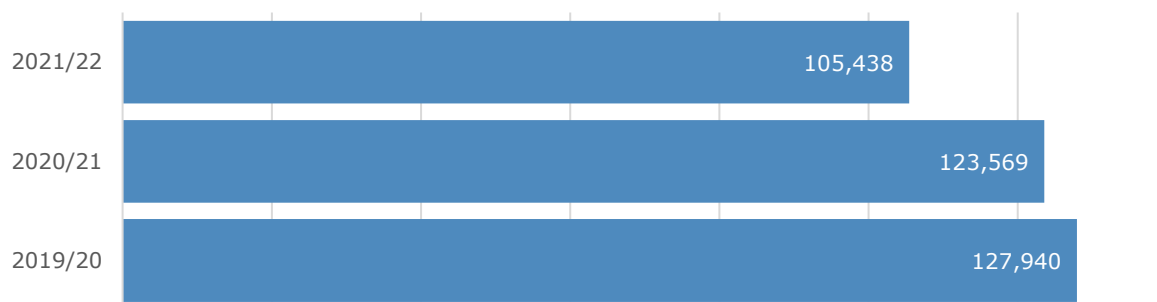
Incidents generating most PDBs



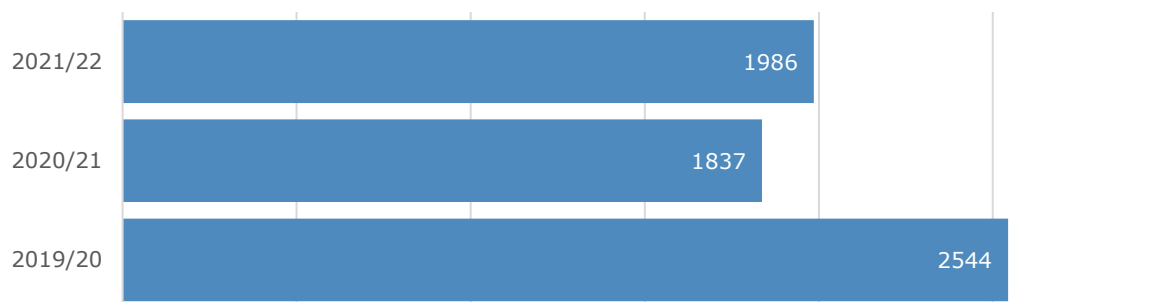
PECR concerns

The level of concerns reported by members of the public continued a generally downward trend from 2018/19, although there is some evidence that reporting was still impacted by lockdowns during the year. We started a number of investigations during the year in order to protect the public and disrupt and punish organisations seeking to send or make unlawful marketing messages and calls.

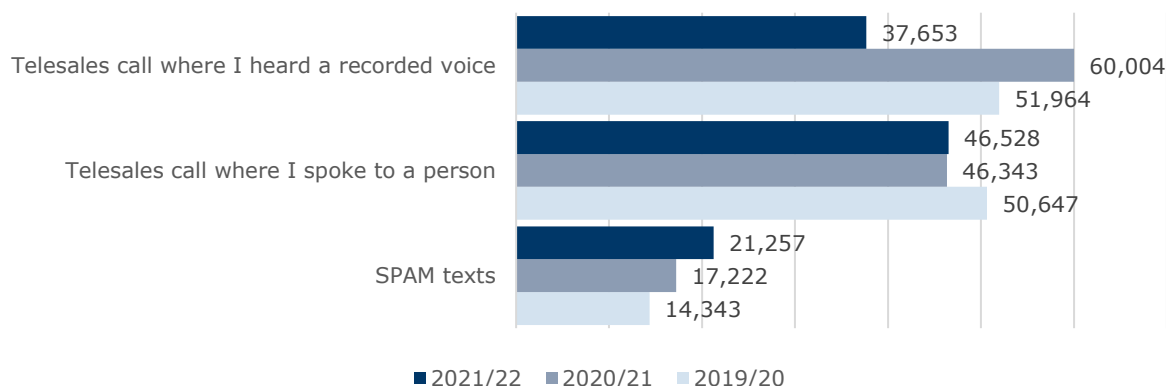
PECR concerns - Concerns reported



PECR concerns - Cookie concerns reported



Nature of telesales and SPAM texts reported



Investigations

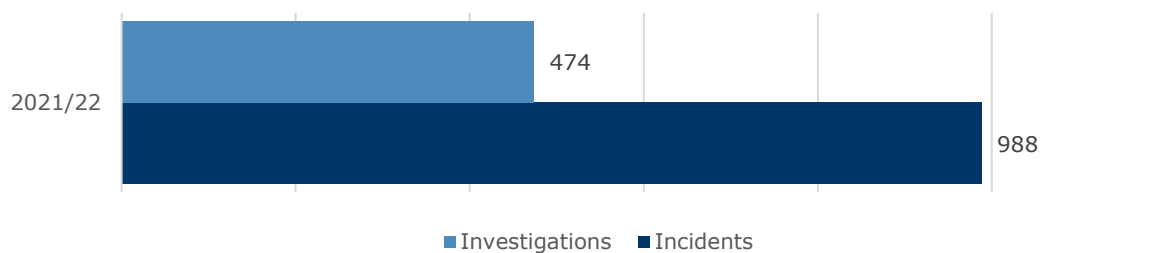
This is the first time that statistics on our investigations have been available. For context, we may assess a case as an incident if we need to carry out initial fact-finding enquiries to establish the extent of the issue, and whether it meets the evidential threshold for investigation. If the threshold is met, then the case progresses to an investigation. If not, then our aim is to conclude 90% of incidents within six months.

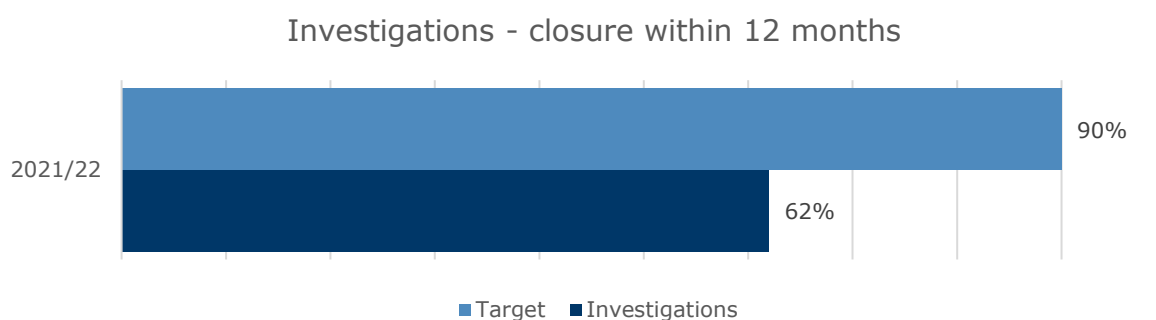
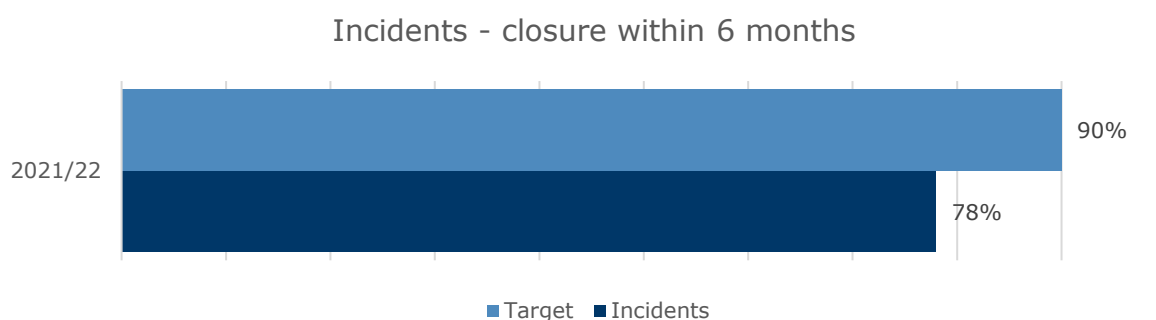
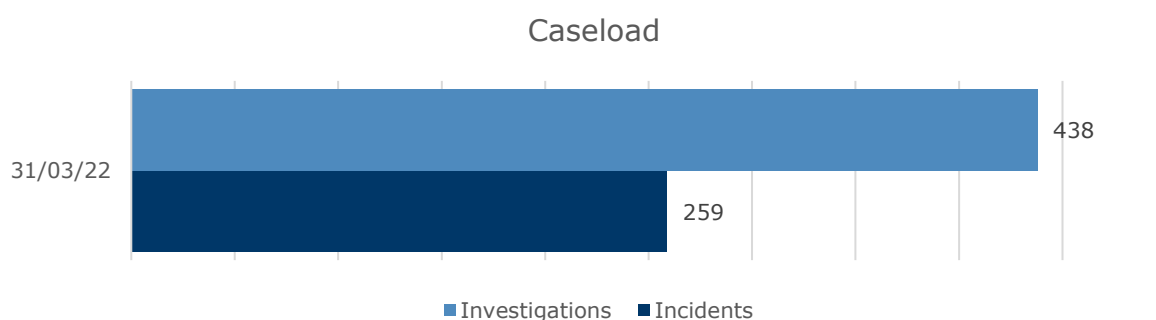
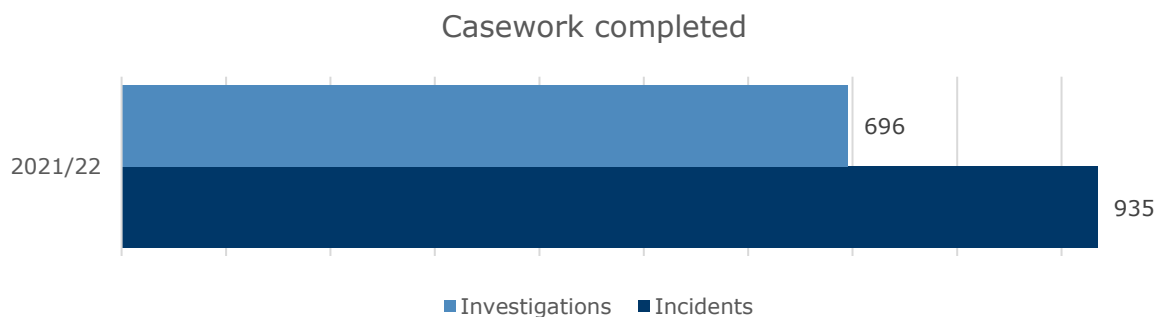
Our investigations are divided into four key categories:

- civil cases predominantly focus on GDPR/DPA breaches;
- cyber cases focus on GDPR/DPA breaches which are a direct result of a cyber incident;
- criminal cases focus on criminal offences under DPA and FOI; and
- privacy and digital marketing cases focus on breaches of the PECR legislation and related GDPR/DPA breaches.

Our performance against our criminal cases KPI of concluding 90% of investigations within 365 days has been impacted by the well-publicised backlog of cases in the Court system.

Casework received





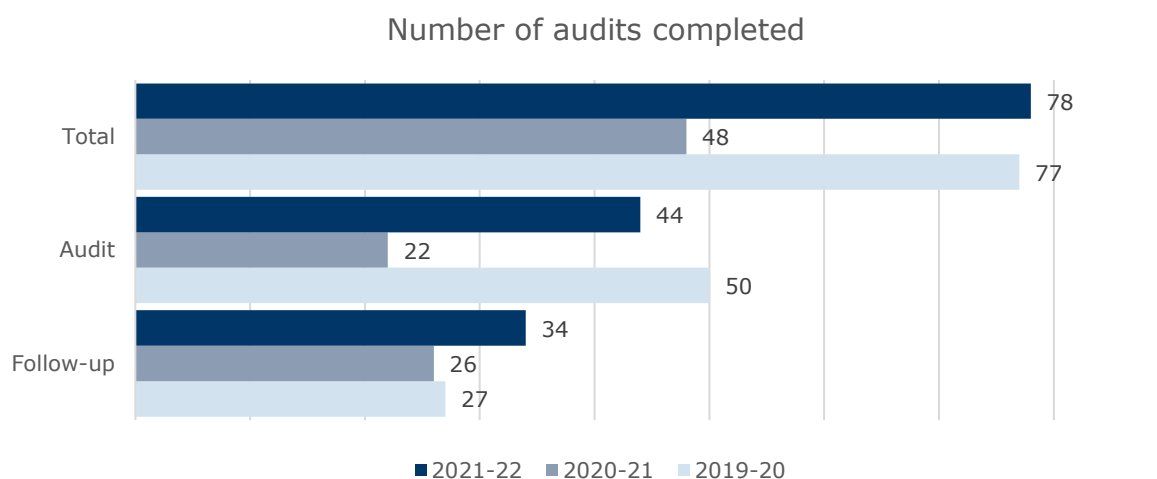
Regulatory Assurance

In 2021/22 we completed a total of 78 audits and follow-up audits across a range of sectors, returning to pre-pandemic levels of output. We completed these audits using a hybrid model of remote auditing and onsite work, where

necessary and appropriate. The findings of these audits are published on our website³⁷.

The audit programme for 2021/22 included completion of an audit of NHS Test and Trace, as referenced elsewhere in this report, as well as audits of the nine departments of the Northern Ireland Civil Service. We also published the outcome of our audit of the Home Office which was conducted under Assessment Notice. Executive Summaries for all audits are on our website.

In the course of our audit work 99% of the recommendations we made were accepted or partially accepted by the organisation being audited; while at follow-up stage we found that 92% of our recommendations had been actioned or partially actioned.



Percentage of accepted and partially accepted recommendations
(target: 90%)

	Q1	Q2	Q3	Q4	Total
2021/22	99%	99%	98%	99%	99%
2020/21	91%	98%	95%	93%	94%

³⁷ <https://ico.org.uk/action-weve-taken/audits-and-overview-reports/>

Percentage of accepted and partially accepted recommendations completed and in progress (target: 80%)

	Q1	Q2	Q3	Q4	Total
2021/22	80%	97%	90%	97%	92%
2020/21	87%	84%	66%	78%	78%

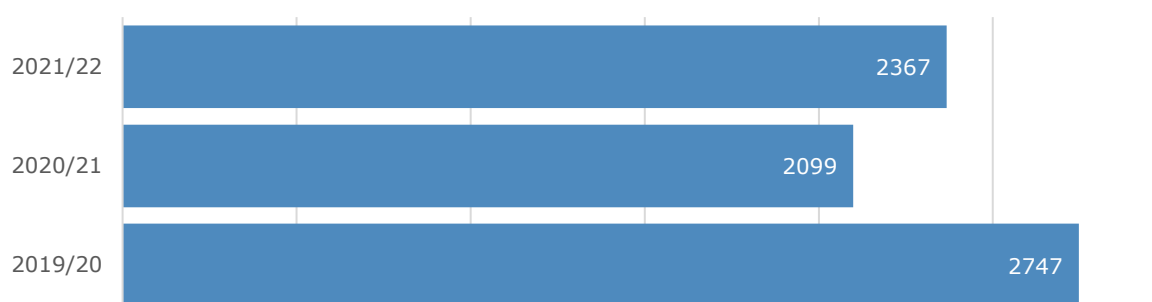
Information access

In 2021/22, our response rate to requests for information made to us as a public authority fell below our service standards. We completed 73% (2020/21: 85%) of information requests within statutory timescales.

The number of requests we received rose by 13%. In addition, we saw a reduction in the capacity of the team, and we faced challenges in increasing this capacity quickly enough to meet demand.

To address this we introduced a recovery plan in September 2021, details of which are available on our website. This plan enabled us to end the year in a much stronger position having reduced the number of overdue requests by 87%. We are due to complete our recovery plan by June 2022, at which point we expect to be operating within our published service levels and having increased the long-term capacity of the team to sustain this performance.

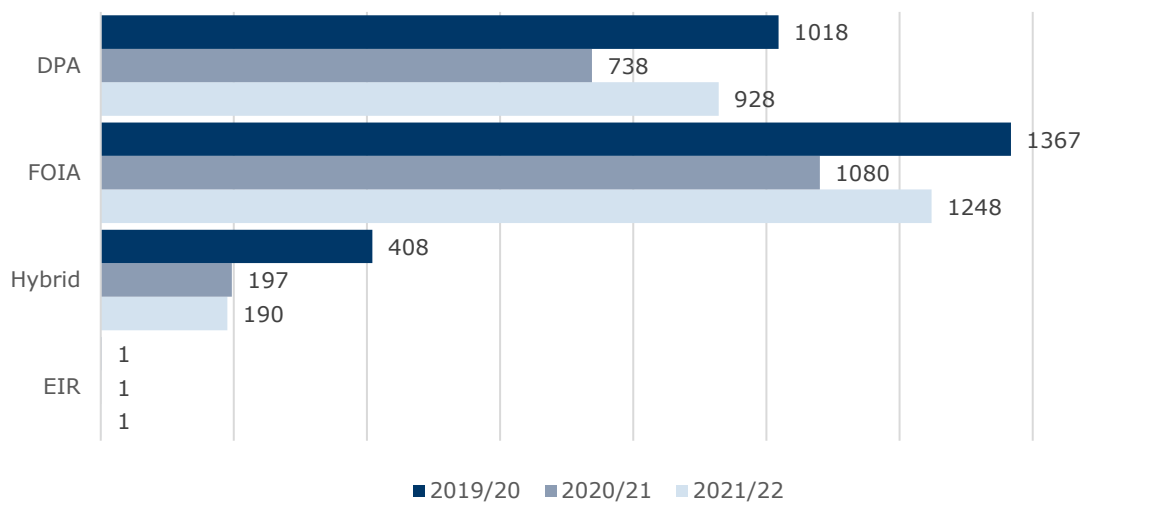
Information access - Requests received



Information access - Requests completed



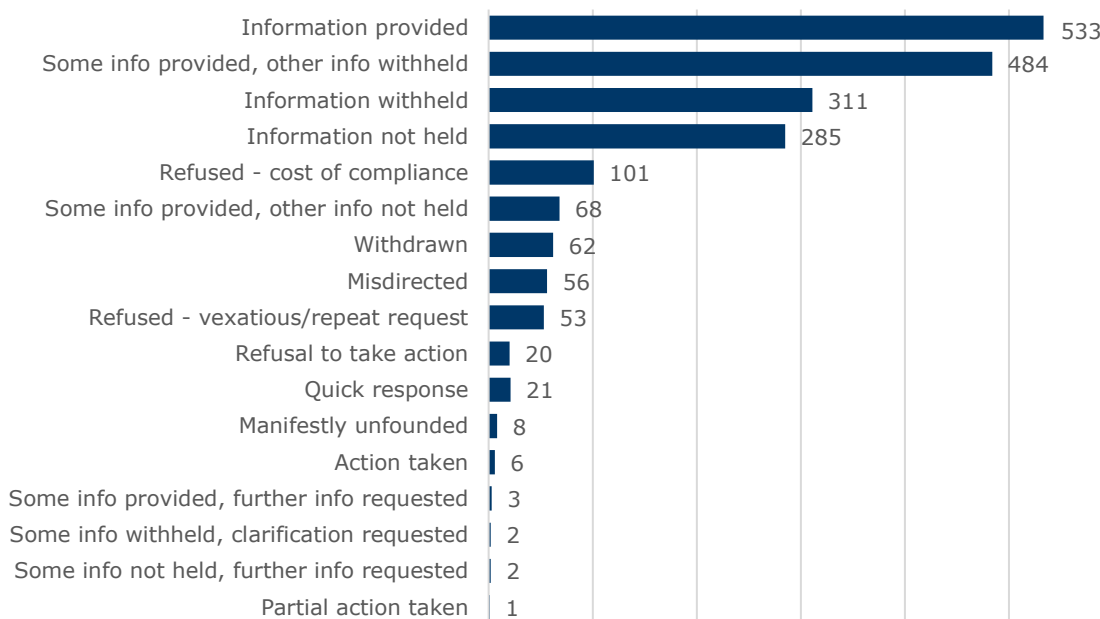
Information access - Requests by legislation



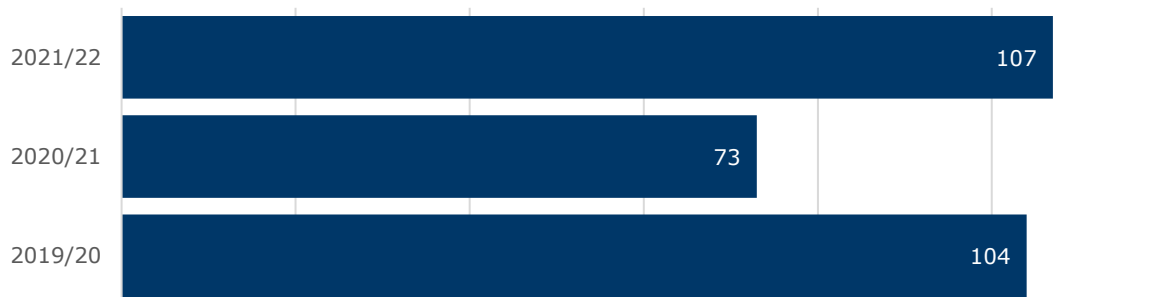
Response times - Time for compliance



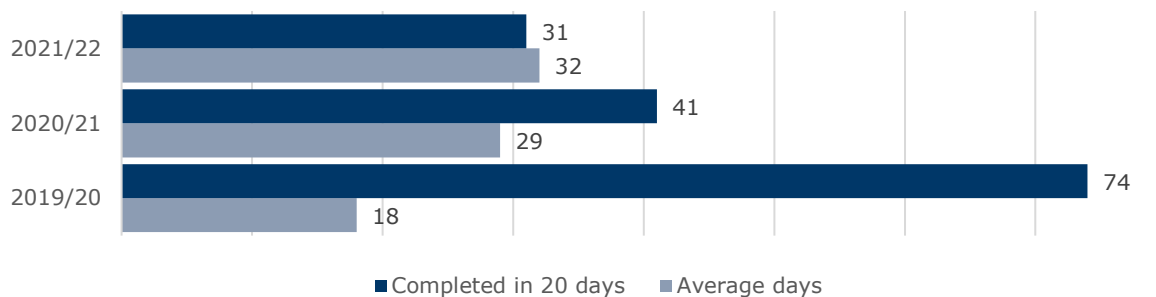
Request outcomes



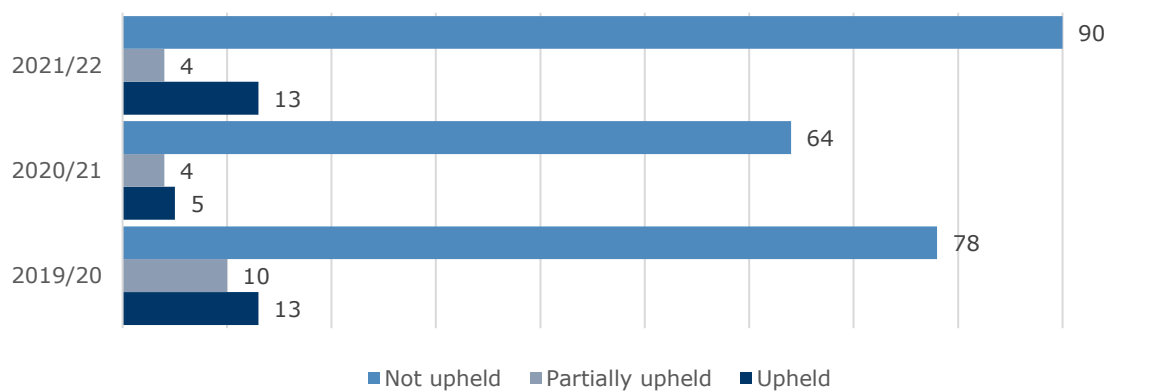
Internal reviews - Reviews completed



Internal reviews - Response times



Internal reviews - Review outcomes



Financial performance summary

Financial overview

Where we spent our money in 2021/22

ICO expenditure for the year totalled £66.0m, with £7.6m of this expenditure being spent on grant-in-aid funded work and £0.4m on projects funded by the Regulatory Pioneers Fund.

The significant areas of expenditure recorded included:

- £57.3 million on our business-as-usual activities to achieve our strategic goals set out in our Information rights strategic plan; regulating the legislation which governs the use of personal data; and ensuring that public information is used appropriately. The majority of our business-as-usual expenditure was on staff costs £42.0m (73.3%).
- £0.7 million on capital expenditure as we prioritised investing in our digital and IT infrastructure, as well as offering hybrid working solutions for our staff as we emerge from the COVID-19 pandemic.
- £0.4m on research projects funded through the Regulatory Pioneers Fund grant.

Grant-in-aid

Freedom of information expenditure continued to be funded by grant-in-aid. In addition, our work on Network and Information Systems (NIS), the Investigatory Powers Act (IPA), the Electronic Identification and Trust Services Regulations (eIDAS) and Adequacy assessments were funded by grant-in-aid. The total grant-in-aid available for 2021/22 was £7.6m (2020/21: £6.2m).

No grant-in-aid was carried forward in 2021/22 (2020/21: nil).

Fees

Under the DPA 2018, data protection related work continues to be financed by fees collected from data controllers. Under the Data Protection (Charges and Information) Regulations 2018, people and organisations that process personal data need to pay a data protection fee to the ICO, unless they are exempt. The ICO issues a certificate of registration, once they receive the fee. The annual fee structure is:

- £40 for charities or organisations with no more than 10 members of staff or a maximum turnover of £632,000;

- £60 for organisations with no more than 250 members of staff or a maximum turnover of £36m; and
- £2,900 for all other organisations.

A £5 discount is available for all fees which are paid by direct debit.

Fees collected in the year totalled £61.787m (2020/21: £53.205m), a 16.1% increase on the previous year. As of 31 March 2022, 1,062,754 data controllers were registered to pay the data protection fee, an increase of 186,992 (21.4%) from 31 March 2021 (875,762).

We have a strategic objective to ensure that all those required to pay a data protection fee are able to do so. This ensures that the cost of funding our work is distributed fairly and proportionately amongst those with a legal obligation to pay a fee, as required by Parliament.

To achieve this, we have undertaken an ongoing programme of work to contact organisations not currently paying a data protection fee to make them aware of the requirements of the Data Protection Act. This work continued in the financial year 2021/22, where we contacted circa 3 million organisations enabling us to grow our public register from 875,000 at the start of the financial year, to 1.06m by the end of March 2022. We will continue this work in the next financial year.

In addition, the total comprehensive expenditure for the year was significantly higher than the prior year: £3.789m in 2021/22, compared to £3.019m in 2020/21. This is predominantly as a result of Staff Cost underspends due to slippage in the timescales for recruitment of specialist roles during 2021/22, as a result of the competitive recruitment market.

Financial instruments

Details of our approach and exposure to financial risk are set out in note 9 to the financial statements.

Monetary penalties

The Information Commissioner can impose monetary penalties for serious breaches of the DPA of up to £17.5m, or up to 4% of global turnover of an enterprise, whichever is greater. For breaches of PECR, we can impose penalties of up to £500k. A penalty can be reduced by 20% if it is paid within 30 days of being issued. The monetary penalties collected by the ICO are paid over to the Government's Consolidated Fund.

Monetary penalties are subject to a right of appeal to the First-tier Tribunal, either against the imposition of the monetary penalty or the amount of the penalty specified in the monetary penalty notice or both. If monetary penalties

are subject to appeal, they are not recognised until the appeal process is finalised and the monetary penalty is upheld. The amounts recognised are regularly reviewed and subsequently adjusted if a monetary penalty is varied, cancelled, impaired or written off as irrecoverable. Amounts are written off as irrecoverable only on the receipt of legal advice. A reduction in the value of fines is undertaken at year end to reflect our expectation that we will not be able to recover all fines owed (Details of how this reduction is calculated are described in Note 1.5).

The costs of any legal fees incurred in the imposition and recovery of the monetary penalties were fully borne by the ICO in 2021/22. We proposed to Government that legal costs incurred in the imposition and recovery of a monetary penalty are recovered from monetary penalty income, ensuring that litigation costs are not funded by fee-paying organisations. This cost recovery model is in practice at other UK regulators. This approach has now been approved by Government and will be in place from the 2022/23 financial year.

During 2021/22 we imposed in total £3.554m in monetary penalties. There is a further £1.137m which is still under appeal and accordingly is not recognised. Within the total monetary penalties yet to be collected, £10m relates to a penalty under the DPA for British Airways and £6.1m for a penalty under the DPA for Marriott Hotels. Both of these monetary penalties have agreed payment plans, which are being paid in equal annual instalments.

At the year end, the monetary penalties still to be collected and subsequently paid to the consolidated fund is £17.934m. The table below provides a summary of the monetary penalties' position.

	£m
Monetary penalties due at year end 31 March 2021	28.667
Monetary penalties imposed during 2021/22	3.554
Discounts due to early settlement	(0.316)
Monetary penalties collected in 2021/22 and paid to the Government's Consolidated fund within year	(12.278)
Monetary penalties collected in 2021/22 and due to be paid to the Government's Consolidated fund after the year end	(0.212)
Monetary penalties written off or impaired during 2021/22	(0.344)

Monetary penalties yet to be collected at year end	(1.137)
Monetary penalties at year end on agreed payment plan	16.188

Sustainability

Overall strategy

Our Environmental policy³⁸ sets out our approach to environment and sustainability matters. We understand that undertaking our work as an effective regulator and employer requires the use of natural resources, energy and a wide variety of supplies and services.

We are committed to minimising damaging environmental impacts which may arise from our activities. We explore and implement ways of working which help us enhance environmental sustainability, minimise harm to our eco-system and continually improve our environmental performance. We use our position as a prominent organisation and significant purchaser of goods and services to encourage stakeholders and suppliers to adopt environmentally responsible practices.

Our carbon footprint is generated primarily from heating and lighting ICO accommodation, powering our IT infrastructure and from business travel.

We make as full a use of technology as possible to reduce electricity and gas consumption. For example, we have low energy use IT equipment which we continued to purchase for new staff during 2021/22.

Our buildings use motion detecting lighting to help reduce energy consumption. We have smart meters fitted to our gas supply to allow improved management of gas consumption.

Our electricity tariff for the buildings we manage has been based on 100% renewable energy sources since 2019.

During 2021/22, COVID-19 continued to have a significant impact on our way of working, with the majority of staff working entirely from home for part of the year. Although, our estates team maintained a presence in the office throughout. We continued to make use of appropriate and effective technology to allow staff to continue to fully undertake their roles. As restrictions eased, we

³⁸ <https://ico.org.uk/media/about-the-ico/documents/2616517/environmental-policy.pdf>

adopted a phased approach to returning to the office with offices available for those wishing to attend or for undertaking essential tasks. Travel also increased as restrictions lifted allowing essential ICO work to take place in person.

There are always increasing demands to engage with external stakeholders both domestically and internationally and we continued to use appropriate communication tools to ensure we could do so. As COVID-19 restrictions eased, we took a pragmatic approach to assessing the appropriateness of communications taking place in person as opposed to using communication technology. The ICO has taken the lessons learned during the pandemic to review the need for all future domestic and international travel and whether there are suitable alternative ways to fulfil these commitments using technology.

Performance

Throughout 2021/22, along with all organisations within the UK, we were working within the parameters laid down by Government and the necessary restrictions due to COVID-19. This meant the majority of ICO staff worked entirely from home for a period at the beginning of the year. As restrictions eased, we increased the availability of our offices for those wishing to attend or for essential work, while maintaining social distancing measures.

Due to COVID-19 travel restrictions continuing, we reduced carbon emissions associated with both domestic and international travel compared to pre COVID-19 levels. Although, the levels have increased from last financial year.

In 2019, we moved to an electricity tariff that uses 100% renewable electricity for the majority of the estate. We have lower waste production and water usage levels, as well as reduced paper usage as electronic solutions adopted during the pandemic continue to be utilised.

Even though we did not fully occupy the estate, we were still required to ensure that buildings were adequately heated. We maintained safe working temperatures in occupied buildings and sufficient residual heating for buildings which were not in use.

Biodiversity action planning

The ICO is not responsible for any outside space and therefore does not have a specific biodiversity action plan. Our Environmental policy serves to fulfil the obligations of the requirements of The Environment (Wales) Act 2016 'Biodiversity and Resilience of Eco System Plan'.

The policy sets objectives for the ICO to:

- minimise water and energy usage;

- minimise CO2 production from our activities;
- ensure effective waste management and recycling;
- minimise the use of single use products, plastics and harmful chemicals; and
- raise awareness among staff and influencing behaviour.

Sustainable procurement

We ask those tendering for contracts to provide their sustainability statements and policies as standard in most procurement exercises.

Greenhouse gas emissions

Please note: the figures in the tables below do not include any emissions or waste from employees working from home.

Total tonnes CO₂

	2018/19	2019/20	2020/21	2021/22
Scope 1 (gas)	36	17	44	37
Scope 2 (electricity)	160	275	29	32
Scope 3 (travel)	202	182	1	15
Total emissions	398	474	74	84

Tonnes CO₂ per full time equivalent staffing

	2018/19	2019/20	2020/21	2021/22
Scope 1 (gas)	0.06	0.02	0.06	0.04
Scope 2 (electricity)	0.26	0.37	0.04	0.04
Scope 3 (travel)	0.33	0.24	0.00	0.02
Total	0.66*	0.63	0.10	0.10

*Not a direct sum due to rounding.

Waste minimisation and management and finite resource consumption

Total waste, water and paper consumption

	2018/19	2019/20	2020/21	2021/22
Waste / tonnes	35	36	3	11
Water consumption / m3	3,983	3,182	567	207
A4 paper / reams	4,280	4,544	200	30

Waste, water and paper consumption per full time equivalent staffing

	2018/19	2019/20	2020/21	2021/22
Waste / tonnes	0.06	0.05	0.004	0.01
Water consumption / m ³	6.57	4.23	0.72	0.23
A4 paper / reams	7.06	6.03	0.25	0.03

Details of ICO performance

Total travel

	2018/19	2019/20	2020/21	2021/22
Cars				
Kms	57,336	43,656	1,761	9,097
Cost £	14,699	11,506	486	4,132
Tonnes CO ₂	11	8	0.3	2

Rail	2018/19	2019/20	2020/21	2021/22
Kms	1,120,361	1,133,971	8,190	127,834
Cost £	404,552	341,668	2,612	41,684
Tonnes CO ₂	51	51	0.2	5

Flights	2018/19	2019/20	2020/21	2021/22
Number	1,060	734	0	71
Kms	889,325	781,541	0	84,247
Cost £	202,847	151,422	0	12,711
Tonnes CO ₂	140	123	0	9

Travel summary	2018/19	2019/20	2020/21	2021/22
Cost £	622,098	504,596	3,097*	58,526*
Tonnes CO ₂	202	182	0.5	15*

*Not a direct sum due to rounding.

Travel per full time equivalent staffing

	2018/19	2019/20	2020/21	2021/22
Cars				
Kms	94.61	57.98	2.37	10.29
Cost £	24.26	15.28	0.65	4.68
Tonnes CO ₂	0.02	0.01	0.00	0.00

Rail	2018/19	2019/20	2020/21	2021/22
Kms	1,848	1,505.94	11.02	144.64
Cost £	667.58	453.74	3.52	47.16
Tonnes CO ₂	0.08	0.07	0.00	0.01

Flights	2018/19	2019/20	2020/21	2021/22
Number	1.75	0.97	0	0.08
Kms	1,467.53	1,037.90	0	95.32
Cost £	334.73	201.09	0	14.38
Tonnes CO ₂	0.23	0.16	0	0.01

Travel summary	2018/19	2019/20	2020/21	2021/22
Cost £	1,026.56*	670.11	4.17	66.22
Tonnes CO ₂	0.33	0.24	0.00	0.02

*Not a direct sum of tables above due to rounding.

Total utilities

	2018/19	2019/20	2020/21	2021/22
Gas				
Kwh	195,575	94,989	244,507	205,653
Cost £	6,281	4,151	8,578	6,902
Tonnes CO ₂	36	17	44	37

Electricity	2018/19	2019/20	2020/21	2021/22
Kwh	319,151	551,804	413,340	276,409
Cost £	51,995	95,410	78,333	58,041
Tonnes CO ₂	160	275	29	32

Utility summary	2018/19	2019/20	2020/21	2021/22
Cost £	58,276	99,561	86,912*	64,944*
Tonnes CO ₂	196	292	73	69

*Not a direct sum of tables above due to rounding.

Utilities per full time equivalent staffing

	2018/19	2019/20	2020/21	2021/22
Gas				
Kwh	322.73	126.15	329.10	232.69
Cost £	10.36	5.51	11.54	7.81
Tonnes CO ₂	0.06	0.02	0.06	0.04
Electricity				
Kwh	527	732.81	556.31	312.74
Cost £	85.80	126.71	105.43	65.67
Tonnes CO ₂	0.26	0.37	0.04	0.04

Utility summary	2018/19	2019/20	2020/21	2021/22
Cost £	96.17*	132.22	116.97	73.48
Tonnes CO ₂	0.32	0.39	0.10	0.08

*Not a direct sum of tables above due to rounding.

Whistleblowing disclosures

The ICO is a 'prescribed person' under the Public Interest Disclosure Act 1998. This means that whistleblowers are protected when disclosing certain information to us.

The Prescribed Persons (Reports on Disclosures of Information) Regulations 2017 require prescribed persons to report annually on whistleblowing disclosures made to them.

There were 268 whistleblowing disclosures made to us about external bodies during the period 1 April 2021 to 31 March 2022. We recorded all information provided and used it to develop our overall intelligence picture, in line with our Information rights strategic plan 2017-2021.

We took further action on 44 of these disclosures. This may result in referral to appropriate departments for further consideration; referral to external organisations (including other regulators and law enforcement); or consideration for use of our enforcement powers. After review and assessment, 220 of the 268 disclosures resulted in no further action taken at that time. Four disclosures from this reporting period are currently being assessed and considered for potential action.

During the period 1 April 2021 to 31 March 2022, further action on the 44 disclosures resulted in 49 referrals to various departments overall; five disclosures resulted in referrals to two departments.

The outcomes of these referrals:

- 37 disclosures were taken into consideration for the investigations.
- Two disclosures were referred to Advice Services and the Personal Data Breach Team, including providing advice to the whistleblower and where it would be more appropriate for the matter to be raised as a complaint.
- Five disclosures were considered for non-payment of the data protection fee.
- Three disclosures were referred to other departments for various actions.
- Two disclosures were considered for the Direct Marketing Monthly Threat Assessment.

After receipt of a concern, we decide how to respond in line with our Regulatory Action Policy. In all cases, we look at the information provided by whistleblowers alongside other relevant information we hold. For example, if an organisation reports a breach to us, we may use information provided by a whistleblower to focus our follow-up enquiries. More broadly, we may use information from whistleblowers to focus our liaison and policy development within a sector, using the information to identify a particular risk or concern.

Going concern

The Government's announcement regarding proposed data protection legislative reform will not affect the ICO's ongoing ability to provide its services. Therefore,

these accounts are prepared on a going concern basis as a non-trading entity continuing to provide statutory public sector services.

Grant-in-aid has already been confirmed through a settlement letter from the Department for Culture, Media and Sport (DCMS) for 2022/23 and the DPA 2018 continues to allow the ICO to fund data protection related work through fees paid by data controllers.

There is no reason to believe that future sponsorship and parliamentary approval will not be forthcoming. A 3-year spending review was completed within 2021/22, incorporating financial years 2022/23 through to 2024/25. Whilst the ICO has not received formal delegation of the grant-in-aid for 2023/24 and 2024/25, these financial years are provided for within DCMS's estimates.

The ICO has budgeted income of £81.3m for the year 2022/23. In 2022/23 the ICO expects that there will be new risks to the UK economy from higher inflation as well as an increase in National Insurance contributions for businesses. The budget set has considered the risks within fee income and has set a budget based on prudent assumptions. The ICO regularly monitors and reviews the budget. The assumptions underpinning it will be tested regularly throughout the year and we will adjust plans accordingly. It is therefore appropriate to adopt a going concern basis for the preparation of these financial statements.



John Edwards
12 July 2022



Accountability report

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Directors' report

Directorships and other significant interests held by Board members that may conflict with their management responsibilities

Membership of the ICO's Management Board, along with further information, is detailed in the Governance statement.

A register of interests is maintained for the Information Commissioner and their Management Board. It is published on our website at ico.org.uk. Declarations of interest in any of the items considered at a particular meeting are also asked for at Management Board and Audit and Risk Committee meetings.

Our values

Our values are central to the way we work. They influence the way we work with stakeholders, make decisions, support and behave towards one another and continually challenge ourselves to achieve our vision.

Our people strategy has three values: ambitious; service-focused; and collaborative.

Employee involvement and wellbeing

We aim to make the most of our growth and ensure we adapt our capabilities and capacity to meet the demands of the future. With cyber security, technology, and economic analysis becoming more prevalent in the work we do, we identified the importance of building our capability to continue to regulate the digital market and emerging technologies. We understand the importance of reflecting the customers and communities we serve, and through our equality, diversity and inclusion (EDI) objectives we will invest in working practices to ensure we can achieve this throughout each level of the organisation.

Employee wellbeing and inclusion has always been at the heart of the ICO's people strategy, and this has never been more important than the last two years as we have faced the challenges of the COVID-19 pandemic.

We have actively looked after the health and wellbeing of our staff during the pandemic. We introduced a committee to specifically consider the impact of the pandemic and plan our organisational response to ensure that colleagues could work safely whilst remaining focused on their health and wellbeing. We conducted surveys, worked with our established staff forum and introduced an EDI steering group to support staff throughout the year, creating new communications channels for information and engagement.

Our wellbeing support included the introduction of an Inclusion and wellbeing team. They focused on developing workshops, upskilling, and setting clear expectations of best practice to support managers and staff, including signposting to additional sources of support. Flexibility where needed to support caring responsibilities has been available for all staff. We provided equipment to enable colleagues to work effectively from home, as well as running social activities to bring people together and a dedicated wellbeing intranet site.

The results of the health and wellbeing surveys we conducted throughout the years of 2020 and 2021 showed the positive impact of our approach to supporting employee inclusion and wellbeing. We know nationally there has been a higher impact on some people from some minority groups and therefore our approach is one based on individuality and needs.

We continued to work closely with the recognised trade unions as well as with our EDI staff networks and the staff forum to listen to our employees. Keeping in touch with all our staff through virtual town hall events led by the Executive Team, regular email updates from the team leading our pandemic response and departmental/team meetings were key. These ensured staff felt informed about how we were going to continue delivering services to our customers and stakeholders.

As we look forward, we are working with all our colleagues to identify how our ways of working should change post-pandemic to ensure we can continue to be an effective regulator and employer of choice.

Equality, diversity and inclusion

Through the development of ICO25, we will have an opportunity to develop our values to ensure inclusivity is a key attribute to enable progression of our EDI objectives. Our current Information rights strategic plan, Goal 5, is to increase the public's trust and confidence in how data is used and made available. We know that reflecting the customers and communities we serve is an important factor in achieving this.

We have four equality, diversity and inclusion objectives:

- **Spreading knowledge and acting:** We will raise awareness of information rights across the community and take action to ensure that organisations fulfil their obligations. We will particularly focus on groups and sectors where knowledge gaps may cause information rights inequalities or vulnerabilities. We will ensure that our actions as a regulator do not create inequalities or unlawfully discriminate.
- **Accessible services:** Our services and information will be accessible for users and potential users of our services, and we will provide our staff with the skills and knowledge they need to provide high quality services

for all. We will try to anticipate customer needs and we will take action to remove barriers to our services when possible.

- **Encouraging others:** We will use our status as a regulator, advisory body and purchaser of services to influence improvements in equality by other organisations and across society.
- **Employer:** Our workplaces and practices will be accessible, flexible, fair and inclusive. We will value the diversity, skills, backgrounds and experience of our people, enabling them to perform to their best in a welcoming and supportive environment.

Through our strategic goal and EDI objectives, we aim to ensure that the ICO is an inclusive, accessible, and diverse regulator, service provider and employer. This will help all members of society to have awareness of, and access to, their information rights and receive appropriate protection if their rights are infringed.

We continued to focus on diversity of thought and perspective and have achieved increases in black, Asian, and ethnic minority representation at senior levels of the organisation this year.

Further to this, we committed to ensuring that women, disabled, LGBTQIA and non-binary colleagues feel included, supported at work and have equal opportunity to develop their careers.

We continued to provide our staff with an inclusive and accessible work environment, providing the most efficient IT equipment to help meet a range of needs. We promote flexible and part-time working to encourage a healthy work life balance. This has allowed staff to work in the way which best suits them, whilst continuing to meet the business needs of the organisation. This approach has been particularly important in our response to the COVID-19 pandemic, giving people greater control over where and when they work.

As we develop our future ways of working and move to a hybrid working model, we developed guidance for all staff on inclusive behaviours. This includes suggestions to help staff to contribute effectively regardless of where and when they are working and ensure equity of voice and contribution for all.

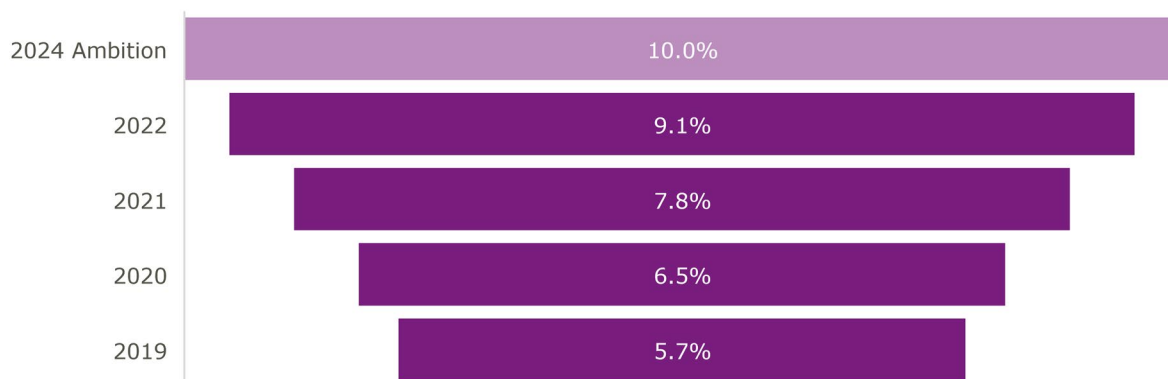
We continued to work towards achieving greater diversity in our workforce, both in terms of our overall staffing, but also at senior management levels.

In 2020 we established ambitions for the diversity of our workforce by March 2024.

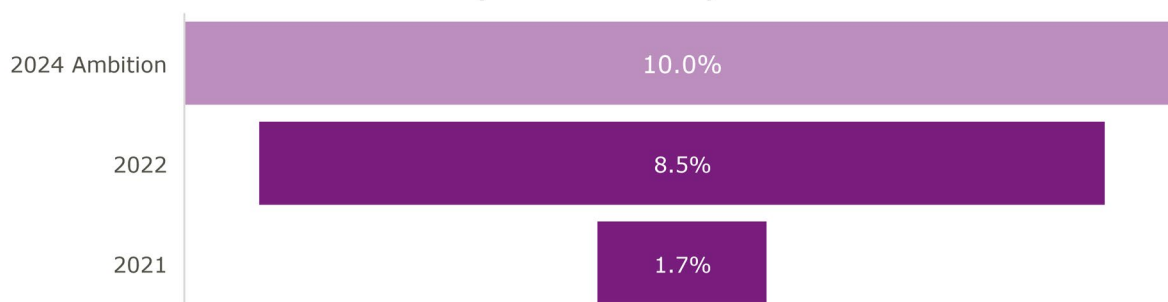
As of 31 March 2022, our staffing demographics consisted of 62% female staff and 38% male staff. Our ambition is to achieve a 60%/40% balance by March 2024. We aim to achieve 50% female staff comprising the top three grades, and we currently stand at 49%.

Our current figures show that we have progressed to 9.1% of our staff, and 8.5% of people in our three most senior grades are from an ethnic minority background. We established an ambition that 10% of the ICO’s staff are from an ethnic minority background by March 2024. This was from a position in March 2020 where 6.5% of staff and no members in our top three grades were from ethnic minority backgrounds.

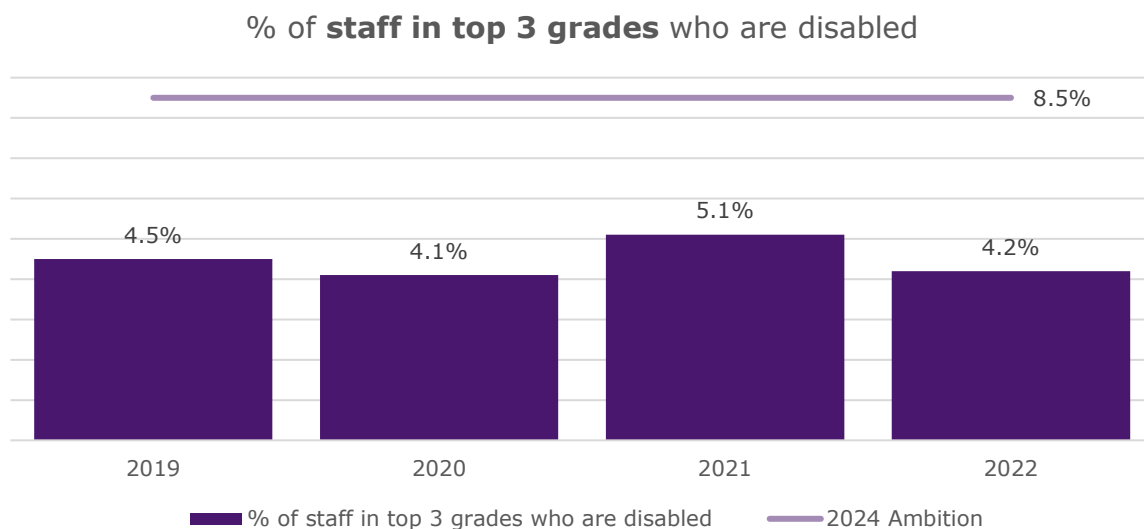
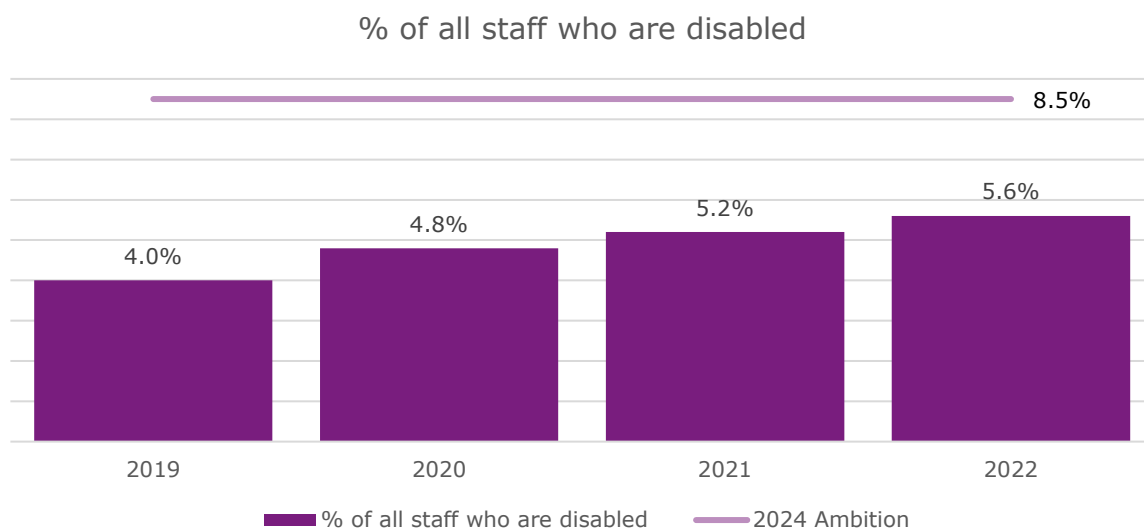
%age of all staff who are from an ethnic minority background (as at 31 March)



% staff in top 3 grades who are from an ethnic minority background (as at 31 March)



Currently, 5.6% of our staff and 4.2% of staff in our top three grades have declared that they are disabled. We have established an ambition to achieve greater staff diversity for staff who are disabled. Our target is to increase this proportion to 8.5% of staff and senior management by March 2024.



We will continue work towards achieving our ambitions, as well as reviewing them as appropriate to support our drive for greater diversity in the organisation.

Our pay system enables people to progress their salary as they develop their impact and contribution in their roles. We monitor pay progression by a range of protected characteristics to provide oversight and ensure that there is consistency of approach. Our Pay Consistency Panel has confirmed that the data is showing appropriate consistency.

Our gender pay gap currently stands at 8% and our ethnicity pay gap is 9.8%.



We made progress over the past two years to increase female and ethnic minority representation at senior leadership level. The number of female staff in senior leadership roles has also increased by 85% over the past three years and female staff now make up 48% of all senior leadership roles. A factor to this increase in diversity among our senior leaders was our active commitment to achieving the EDI targets we set out in 2019. To ensure we reach equal parity sooner, we will continue to progress and evaluate the gender and ethnicity pay gap and measure the impact our initiatives and objectives have.

Our pay data shows that the average salary of disabled staff is 3.2% higher than staff who are not disabled. Overall, on a grade-by-grade basis, our data shows a high degree of consistency of pay rates between people of different protected characteristics.

Equality, Diversity and Inclusion Board

Our EDI Board oversees our efforts to provide an increasingly accessible service for our customers, and an inclusive workplace for our staff.

During 2020-21, the ICO's EDI Board focused on six distinct workstreams:

- People Policy Review
- Equality Impact Assessment
- Health and Wellbeing Training
- EDI Data, Insight and Impact
- Our Corporate Voice
- Regulatory Remit

The focus of the Board is technical input, support, challenge and oversight of this work. Many of the EDI Board members chair or attend sub-groups and work collaboratively with colleagues from across the office to further this work.

People policy review

We monitor our policies, practices and processes through best practice external benchmarking; bi-annual internal pay review reporting; consulting with EDI Board and networks; people manager groups; staff forum; and our recognised trade union. During 2021/22, the People team have led a full review of people policies. This has helped to make policies that are inclusive and considerate of issues which may impact upon people from different protected groups.

People and equality impact assessment

The EDI Board reviewed the ICO's People and equality impact assessment (PEIA) process. This was to ensure that the process, template and guidance documents were fit for purpose, met equality legislation, adhered to the Public Sector Equality Duty and mirrored best practice.

Health and wellbeing training

Wellbeing is at the forefront of everything we do. We have wellbeing champions who are supported by an inclusion and wellbeing team. We regularly promote wellbeing activities and guidance on topics such as financial wellbeing and menopause. We introduced new e-learning modules during 2021-22 about promoting inclusion (one module aimed at managers and another for staff).

In addition, we delivered the following training to support staff wellbeing and inclusion:

- Awareness of mental health and autistic spectrum disorders
- A Year in Lockdown - part of learning at work week
- Chat for Change - Women and Allies network events
- Know About - Helping your child overcome anxiety
- Know About - Laughter to combat Blue Monday
- Know About - Launching the internal mental health first aid scheme
- Know About - REACH and Women and Allies network, Algorithms of Oppression
- Know About - Walking for Wellbeing Workshop
- Know About - World Menopause Day
- Know About - Shared Parental Leave
- Loss and bereavement awareness webinars
- Mental Health First Aider accreditation training
- Mental health for everyone course
- Preparing for life after lockdown course
- Supporting staff wellbeing course
- Uncertainty and anxiety: coping in challenging times course

We plan to develop refresher training about dignity, diversity and inclusion for all staff to attend every three years.

EDI data, insight and impact

The EDI Board reviews the demographic information of the ICO's staff on a regular basis. They have established ambitions for how the ICO's staffing profile will change in the next three years to March 2024 as parts of society embrace hybrid working.

Our corporate voice

The focus is on the development of a corporate narrative to promote, respond and engage with social and ethical issues externally and internally. This ensures that the ICO can quickly and appropriately respond to social and ethical issues that may impact on staff, customers and stakeholders.

We have created a corporate team who are subject matter experts in corporate and internal communications. This is a specialist team that work across the organisation both strategically and operationally. The team role models and influence as well as give positive challenge and create accountability.

There has been an increased focus on EDI communications internally and this will be a focus for us in 2022/23, with a communications plan which highlights events throughout the year and prepared signposting and workshops. With more opportunities to share the work of the networks, the EDI Steering Group will continue to raise their profile and engage people in their activities.

Regulatory remit

This sub-group was recently established to provide better oversight and strategic direction to ensure we appropriately consider equality, diversity and inclusion in our regulatory activities and decision-making. In order to achieve this vision, the sub-group has two main objectives and one supporting objective:

- To embed the PEIA into operating models used to deliver all regulatory activity, including upstream policy work.
- To further explore ways to improve how we embed EDI considerations as part of our regulatory decision-making and produce an options appraisal and recommendation for relevant Boards approval.
- To increase confidence at all levels to manage the regulatory PIA process and make appropriate judgement calls based on the information available.

EDI staff networks

Alongside the EDI Board, we have six staff networks:

- **Women and Allies** focused on gender equality. This network aims to encourage, empower and support women in their careers at the ICO and beyond.
- **Healthy minds** focused on the importance of good mental health. This network aims to raise awareness and challenge the perceived social stigma linked to mental and emotional health issues, including stress, depression and anxiety.
- **Menopause** focused on supporting colleagues who experience symptoms of menopause to manage and support them in their careers, as well as signposting services that can offer additional support.
- **REACH**, this abbreviation stands for Race, Ethnicity, and Cultural Heritage. This network focuses on raising awareness of issues of race, ethnicity and cultural heritage at the ICO and in the wider community and celebrating diversity.
- **Pride** focused on supporting LGBTQ+ colleagues, raising awareness and celebrating diversity. This network aims to promote a safe, inclusive and diverse working environment that encourages respect and equality for all.
- **Network for Access and Inclusion** focused on improving the experience of disabled staff and customers at the ICO. This network promotes positive attitudes towards disabled people and raises awareness of disability equality by identifying and removing barriers to inclusion.

Personal data breach incidents

There have been no substantive security incidents during 2021/22.

Public sector information holders

The ICO has complied with the cost allocation and charging requirements set out in HM Treasury guidance.

Pension liabilities

Details on the treatment of pension liabilities are set out in note 3 to the financial statements.

Annual accounts and audit

The annual accounts have been prepared in a form directed by the Secretary of State with the consent of the Treasury in accordance with paragraph 11(1)(b) of Schedule 12 to the DPA 2018.

Under paragraph 11(3) of Schedule 12 to the DPA 2018 the Comptroller and Auditor General was appointed auditor to the Information Commissioner. The

cost of audit services for this year was £34k (2020/21: £33k). No other assurance or advisory services were provided.

So far as the Accounting Officer is aware, the Comptroller and Auditor General is aware of all relevant audit information, and the Accounting Officer has taken all the steps that they ought to have taken to make themselves aware of relevant audit information and to establish that the Comptroller and Auditor General is aware of that information.

Directors' statement

The ICO's leadership team consists of the Information Commissioner, Executive Directors and Non-Executive Directors. Each of these persons at the time this report was approved has confirmed that:

- so far as they are aware there is no relevant audit information of which the auditor is unaware; and
- they have taken all the steps they ought to have taken in their role to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Statement of the Information Commissioner's responsibilities

Under paragraph 11(1)(b) of Schedule 12 to the DPA 2018 the Secretary of State directed the Information Commissioner to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the situation of the ICO at the year end and of the income and expenditure, recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Information Commissioner is required to comply with the requirements of the Government Financial Reporting Manual (FReM) and to:

- observe the Accounts Direction issued by the Secretary of State with the approval of the Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the FReM have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the ICO will continue in operation.

The Principal Accounting Officer of DCMS has designated the Information Commissioner as Accounting Officer for the ICO. The responsibilities of an

Accounting Officer, including responsibility for the propriety and regularity of the public finances and for keeping of proper records and for safeguarding the Information Commissioner's assets, are set out in the Non-Departmental Public Bodies' Accounting Officer Memorandum, issued by the Treasury and published in Managing Public Money.

As Accounting Officer, the Information Commissioner has delegated executive responsibility to the Deputy Chief Executive and Chief Operating Officer for effective financial stewardship as Accountable Officer. This is a contractual responsibility and allows the Information Commissioner to have a separate, and not term-limited, accountable person charged with stewardship and probity for the ICO's use of public money.

Between the end of Elizabeth Denham's term as Information Commissioner and the start of John Edwards' term, Paul Arnold, the ICO's Deputy Chief Executive, was designated as the ICO's Accounting Officer. This was in effect from 1 December 2021 until 2 January 2022. During this time, the regulatory responsibilities of the Information Commissioner were delegated to Deputy Commissioners through the ICO's scheme of delegation. This ensured continuity of regulatory decision-making during this period. The Accounting Officer confirms that, as far as they are aware, the entity's auditors are aware of all relevant audit information, and the Accounting Officer has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

The Accounting Officer confirms that the Annual Report and Accounts is fair, balanced and understandable and that they take personal responsibility for the Annual Report and Accounts and the judgments required for determining that it is fair, balanced and understandable.

Governance statement

Introduction

The Information Commissioner is a corporation sole as established under the DPA 1998 and as confirmed under the DPA 2018. As required by the UK GDPR, the Information Commissioner and their Office must be completely independent of Government. The Information Commissioner is accountable to Parliament for the exercise of statutory functions and the independence of the ICO is enshrined in legislation.

Relationship with the DCMS

The DCMS is the sponsoring department for the ICO. The relationship with the department is governed by a Management Agreement. The Management Agreement for 2018-2021 was agreed in July 2018 and in 2021 DCMS and the ICO agreed to extend the agreement to 2022. This agreement sets out our shared responsibilities and the commitment to ensuring the independence of the Information Commissioner and the ICO. The agreement also ensures that appropriate reporting arrangements are in place to enable DCMS to monitor the expenditure of public money allocated to the ICO.

Data protection reform

In September 2021, DCMS launched a consultation to review the data protection regime, 'Data: a new direction'. They have subsequently published their statement setting out their consultation response. These include new approaches to demonstrating accountability, AI, international data flows and enforcement of the law. The statement also confirmed proposals for significant changes to the governance and accountability structures of the ICO, including the introduction of statutory objectives, a Statement of Strategic Priorities, and a move to a Statutory Board model, with a Chair and Chief Executive. In this model, it is proposed that the Chair of the Board would carry the title 'Information Commissioner' and would continue to be a Crown appointment through Letters Patent.

The final proposals should ensure we retain independence from Government, in particular in relation to its oversight of information rights legislation in the public sector. This is key to enabling public trust in how their data is used and to support the UK's global ambitions. We will continue to be held to account by Parliament to ensure we are delivering our objectives but will have independence to oversee the legislative framework. We look forward to seeing the details of these proposals once they are set out in draft legislation and will continue to provide constructive input to Government through the legislative process.

Management Board

Under the existing governance model, the Information Commissioner is a corporation sole, accountable to Parliament. The Information Commissioner, as Corporation Sole, has responsibility for setting the strategic direction for the ICO. The Information Commissioner achieves this through the work of the ICO Management Board which they chair.

The Management Board's terms of reference identify five primary areas of focus for the Board: the position; culture; capability; reputation; and performance of the organisation. The Board provides strategic direction to ensure the long-term objectives for the organisation are met successfully and sustainably. It operates collectively, holding the Executive to account for the day-to-day leadership and regulatory outcomes of the ICO.

The Board is based on majority decision-making principles. As the Information Commissioner is a corporation sole, the Commissioner retains the right to override a recommendation of the Management Board and take another course of action. There were no such instances during 2021/22.

The Board comprises of Executive and Non-Executive Directors, with non-Executive Directors out numbering Executive Directors (when there is a full complement of Non-Executive Directors – see below).

The Board agreed to appoint a Senior Independent Director (SID), designated by the Information Commissioner from amongst the Non-Executive Directors. Nicola Wood was appointed to this role on 1 June 2020. The SID is responsible for chairing Board meetings in the absence of the Information Commissioner and for representing the views of the Non-Executive Directors.

Two senior Executive Directors have been designated by the Commissioner from amongst the Executive Directors. One, designated as Deputy Chief Executive and Chief Operating Officer, is responsible for the ICO's day-to-day administrative leadership and performance, including holding delegated Accounting Officer responsibilities as far as possible in their role as Accountable Officer. Paul Arnold was appointed to this role on 9 July 2020. The other, designated as the Chief Regulatory Officer, is responsible for the ICO's regulatory decisions and outcomes. James Dipple-Johnstone was appointed to this role on 9 July 2020. These arrangements allow the Information Commissioner, in addition to overseeing the strategic direction for the organisation, to focus on the key domestic and international stakeholder relationships of greatest importance to the ICO's strategic objectives.

The Board meets a minimum of four times annually (five meetings took place during 2021/22). It considers risk management and operational, financial, organisational and corporate issues. It also receives reports from the Audit and Risk Committee, Nominations Committee and Remuneration Advisory Panel.

Through the use of technology, we have continued to ensure strong collaboration and challenge as a Board. We have utilised informal calls to keep the Non-Executive Directors up-to-date on the ICO's most important business, which has allowed them to be effective in their role on the ICO's Board, providing advice and constructive challenge.

There was a change in the Chair of the Management Board during 2021/22 following the end of Elizabeth Denham's term as Information Commissioner on 30 November 2021. John Edwards was appointed as Information Commissioner from the 3 January 2022 and is now the Chair of the Management Board. Between the end of Elizabeth Denham's term and the start of John Edwards's term, there was one Management Board meeting. Nicola Wood, as the Senior Independent Director, chaired the December 2021 Management Board meeting. Therefore, three Board meetings in 2021/22 were chaired by Elizabeth Denham, one was chaired by Nicola Wood, and one was chaired by John Edwards.

In addition, on 31 July 2021, Simon McDougall's contract ended, and he left his role as Deputy Commissioner (Executive Director – Technology and Innovation).

In addition to these changes in membership of the Board, the following Executive Team members attend Board meetings:

- The General Counsel. James Moss's contract as Acting General Counsel concluded on 18 April 2021. Claudia Berg was appointed as General Counsel and joined the Executive Team on 19 April 2021.
- The Executive Director (Strategic Change and Transformation)

There are two changes due to take place to the Board in 2022/23. Steve Wood left his role as Deputy Commissioner (Regulatory Strategy) on 18 April 2022. The ICO's Nominations Committee has also agreed to recruit to the outstanding NED vacancy, as well as create two more NED roles to ensure there is sufficient resilience and capacity in the Board's Non-Executive members. Recruitment to these roles will take place during summer 2022.

The table below details attendance of members at the Management Board meetings during the year. All meetings were held remotely, due to the COVID-19 pandemic.

Dates	17 May 2021	19 Jul 2021	27 Oct 2021	13 Dec 2021	21 Mar 2022
Elizabeth Denham	Yes	Yes	Yes	-	-
John Edwards	-	-	-	-	Yes
Paul Arnold	Yes	Yes	Yes	Yes	Yes
Ailsa Beaton	Yes	Yes	Yes	Yes	Yes
Stephen Bonner	Yes	Yes	Yes	Yes	Yes
David Cooke	Yes	Yes	Yes	Yes	Yes
James Dipple- Johnstone	Yes	Yes	Yes	Yes	Yes
Peter Hustinx	Yes	Yes	Yes	Yes	Yes
Jane McCall	Yes	Yes	Yes	Yes	Yes
Simon McDougall	Yes	No	-	-	-
Nicola Wood	Yes	Yes	Yes	Yes	Yes
Steve Wood	Yes	Yes	Yes	Yes	Yes

Audit and Risk Committee

The Audit and Risk Committee meets quarterly and provides a structured, systematic oversight of the ICO's governance, risk management, and internal control practices. The committee assists the Board and management team by providing independent advice and guidance on the adequacy and effectiveness of the organisation's management practices detailed below. This includes any potential improvements to these practices:

- governance structure;
- risk management;
- internal control framework;
- oversight of the internal audit activity, external auditors, and other providers of assurance; and
- finance statements and public accountability reporting.

The Committee has three Non-Executive members. It is chaired by Ailsa Beaton and Jane McCall is a member. Roger Barlow finished his term as the independent member on 31 July 2021 and Jayne Scott was appointed to this role from 1 August 2021.

The table below shows attendance of Audit and Risk Committee members at the meetings during the year. All meetings were held remotely.

Dates	26 Apr 2021	21 Jun 2021	18 Oct 2021	10 Jan 2022	25 Feb 2022
Ailsa Beaton	Yes	Yes	Yes	Yes	Yes
Roger Barlow	Yes	Yes	-	-	-
Jane McCall	Yes	Yes	Yes	Yes	Yes
Jayne Scott	-	-	Yes	Yes	Yes

Both external and internal auditors attend the Audit and Risk Committee and have pre-meetings with committee members before each meeting.

The Audit and Risk Committee publishes its own Annual report. Each annual report, including the 2021/22 report, is available on the ICO website (ico.org.uk). The report states that the committee is satisfied with the quality of internal and external audit and believes that it can take a measured and diligent view of the quality of the systems of reporting and control within the ICO.

The Chair of the Audit and Risk Committee attends regular meetings of the Chairs of the Audit and Risk Committees of DCMS arms-length bodies. These meetings include discussions with senior DCMS staff and the Senior NAO staff and provide opportunities to share issues of interest.

The Audit and Risk Committee receives a quarterly report on incidents of fraud, security breaches and whistleblowing incidents as assurance that the reporting mechanisms are in place and effective.

Nomination Committee

The ICO established a Nomination Committee in 2021, which has oversight of Management Board succession planning, recruitment, and effectiveness assessment and evaluation. The committee ensures that these processes are aligned with the ICO's strategic priorities as well considering external environment threats and opportunities to ensure organisational success in both the short and longer term. The Nomination Committee meets two or three times per year.

The committee has three members, all Non-Executive Directors. It is chaired by Nicola Wood. The other members are David Cooke and Peter Hustinx.

The table below shows attendance of Nomination Committee members at the meetings during the year. All meetings were held remotely.

Dates	11 June 2021	8 February 2022
Nicola Wood	Yes	Yes
David Cooke	Yes	Yes
Peter Hustinx	Yes	Yes

The meetings of the Nomination Committee in 2021/22 have focused on Non-Executive Director recruitment, training and development, in particular in light of

the appointment of a new Information Commissioner and DCMS's Data protection reform review.

Remuneration Advisory Panel

The Remuneration Advisory Panel provides challenge, advice and scrutiny to the Information Commissioner on matters of pay and development of Executive Team members. The panel usually meets two times per year.

The panel has three members, consisting of the Information Commissioner and two Non-Executive Directors. It is chaired by Nicola Wood. The other Non-Executive Director member is David Cooke.

The table below shows attendance of Remuneration Advisory Panel members at the meetings during the year. All meetings were held remotely.

Dates	17 June 2021	4 March 2022
David Cooke	Yes	Yes
Elizabeth Denham	Yes	-
John Edwards	-	Yes
Nicola Wood	Yes	Yes

In 2022/23, we will transition the Nomination Committee and parts of the Remuneration Advisory Panel into a People Committee, consisting of Non-Executive Directors. The People Committee will have a wider remit of oversight over the long-term and strategic approaches to people-related and workforce planning issues which are critical to the ICO's success. In this remit, the committee will have oversight of the work of the whole ICO on these matters, rather than being limited only to matters directly relating to Management Board. The People Committee will have a separate Remuneration Advisory Sub-Committee with a membership of Non-Executive Directors, where matters of pay of Executive Team members will be considered.

Executive Team

The Executive Team provides day-to-day leadership for the ICO and as such is responsible for developing and delivering against the Information rights strategic plan and Capacity and capability plan. At the start of 2021/22, the team consisted of the Information Commissioner, the Deputy Chief Executive Officer and Chief Operating Officer, the Chief Regulatory Officer, the Executive Director - Regulatory Strategy, the Executive Director - Technology and Innovation, the Executive Director - Strategic Change and Transformation, the Executive Director - Regulatory Futures and Innovation and the General Counsel.

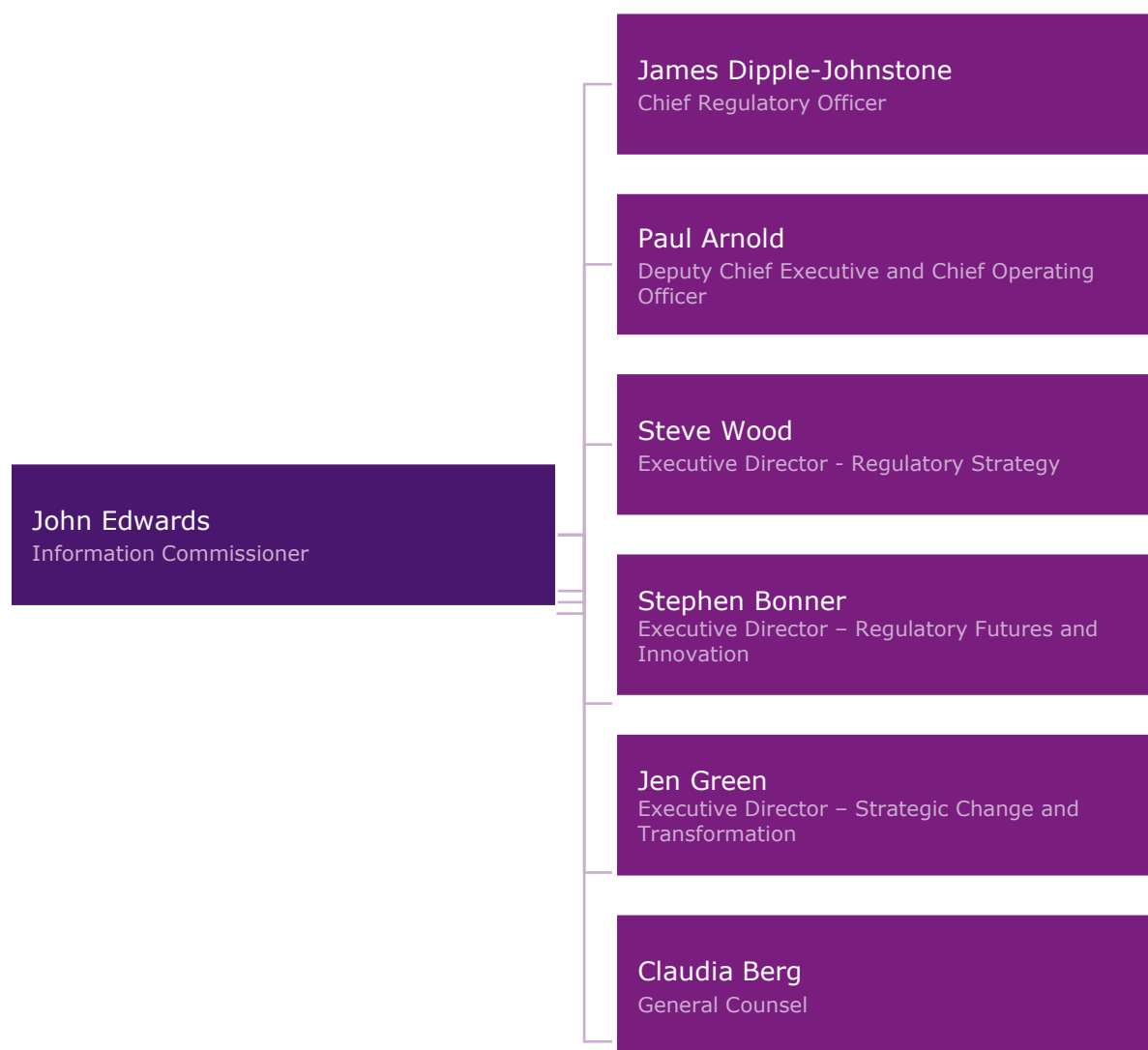
During 2021/22 the following changes took place on the Executive Team:

- The permanent General Counsel joined the Executive Team in April 2021, replacing the Acting General Counsel.

- The Executive Director – Technology and Innovation left the ICO in July 2021.

As set out above, the Executive Director – Regulatory Strategy left the ICO in April 2022.

A structure chart illustrates the Executive Team structure as of 31 March 2022.



The Executive Team is supported in its role by the Senior Leadership Team. This team consists of 19 directors across the organisation. This increased by four Directors in 2021/22. To assist with the Government’s data protection legislative reform work, we appointed Director of Legislative Reform and a Director of Governance Transition, each on fixed term contracts. To ensure we had the right capacity in key areas, the role of Director of Resources was split into two roles: Director of Finance and Director of People Services. We also appointed a new Director as Chief Economist.

Board effectiveness

The Management Board has considered its compliance with the 'Corporate governance in central government departments: Code of good practice 2017'. The ICO is not required to adopt all aspects of the code, but the Board considers that there are good reasons for this given the nature of the organisation as a corporation sole. In particular:

- The Board does not have the powers and duties of a Board in which is vested the ultimate authority of the organisation. This is because the Information Commissioner is a corporation sole. However, in line with the scale and complexity of the ICO's role and remit, the Commissioner discharges his responsibility for the strategic leadership of the organisation through the Management Board, comprising Non-Executive and Executive Directors, of which the Information Commissioner is the Chair. The Board operates based on collective decision-making principles and a 'majority vote' in circumstances where a consensus view cannot be reached. The Commissioner, as a Corporation Sole, will always have the right to set a course of action that is contrary to the majority view of the Board. There have been no such instances in 2021/22.
- Although the ICO has a Remuneration Advisory Panel to advise the Information Commissioner on remuneration policies related to Executive Team pay, as a corporation sole, the Information Commissioner retains ultimate authority in this area.
- In respect of an operating framework, the Board operates within the overall system of corporate governance at the ICO.

The Board has reviewed the information it receives and is satisfied with its quality. The Board is also satisfied that it is, itself, operating effectively.

Issues and highlights

The ICO's corporate governance structure considered various issues of substance during the year. These included:

- Progress towards achieving the ICO's Information rights strategic plan 2017-2021 and the strategies which directly support this, including the Capacity and capability plan.
- The proposed data protection reform and the impact on the ICO.
- Service standards, KPIs and the development of a corporate scorecard.
- The ICO's equality, diversity and inclusion objectives.
- The ICO's regulatory priorities.
- The impact of the COVID-19 pandemic on ways of working.
- The Accountability framework.

- ICO policy profession and methodology.
- Organisational planning matters, including budgeting and resourcing.

Risk assessment

Risks and opportunities are regularly reviewed by senior managers. The Management Board and Audit and Risk Committee also consider these highest scoring risks and opportunities at each meeting. In addition, the ICO has a Risk and Governance Board. They assist the Information Commissioner and Senior Leadership Team with the governance of the organisation and management of risk to achieving its strategic priorities and service delivery. They do this by reviewing all matters concerning the development, maintenance and implementation of the ICO's risk and governance management frameworks, including monitoring and reporting arrangements.

In October 2021, the Audit and Risk Committee conducted a full review of all the ICO's risks and opportunities. The committee receives updates on the ICO's corporate risks at each meeting and also commissions 'deep dives' into specific areas, for example target risk. We also completed work to identify the interdependencies between our risks, to better understand the cumulative impact of changes in our environment. In April 2022, the Audit and Risk Committee also conducted a review of mitigating actions for all corporate risks and the timescale to achieve the target, as well as reviewing the target scores to ensure that they aligned to the relevant risk appetite area for each risk.

In January 2022, the Committee reviewed and agreed the ICO's risk management policy and in March 2022, the Management Board approved a new risk appetite statement. The Board does this on an annual basis. All activities within Directorate business plans are linked to risks or opportunities, which has ensured that we consider them even more regularly, along with clearly identifying actions to mitigate risks or exploit opportunities.

The main changes to our risks and opportunities identified during 2021/22 were to:

- separate out our capacity and capability risk to identify distinct actions and mitigations about the risks around skills and experience and the demand for resources;
- ensure ICO guidance is research and evidence led with economic analysis and formal consultation, where needed; and
- review the staff wellbeing risk to ensure it covered a broad range of issues, as well as the ongoing impact of the COVID-19 pandemic.

In addition, throughout 2021/22, we continued to work to mitigate the key corporate risks to achieving our six strategic goals.

Risk theme	What we did in 2021/22 to address the risk	What more we'll do in 2022/23
Capacity and capability	Reviewed resourcing options, including the use of secondments, in particular in areas of high demand. For example, technology and innovation and legal. Redeployment of staff to priority areas. New People Services operating model to enhance our approach to talent management and organisational development. Oversight of this area is through the SLT Resources Board.	Develop a workforce planning framework and corporate professions map to provide resilience and a strategic approach to capacity and capability planning. Development of People dashboards to enable better decision-making. Develop People surveys with action plans.
Major incident	Business Continuity strategy reviewed by Audit and Risk Committee, with oversight from the SLT Risk and Governance Board. Business Impact Assessments and Local Business Plans completed and tested. IT resilience and disaster recovery plans in place and tested.	Review and refresh of the communications plan for a major incident. Capturing lessons learned and taking action as appropriate.
Regulatory Action and Activity	Oversight of all ICO regulatory activity through the SLT Regulatory Delivery Board. ICO Scheme of Delegations supports effective decision-making and was reviewed in the year. Quarterly review of ongoing investigations.	Delivery of target operating model for regulatory functions. Develop and implement a new frontline triage service. Finalising the review of the Regulatory action policy.
Financial resilience	Regular monitoring of fee income collection. Monthly management accounts tracking income and expenditure. Quarterly budget reviews reported to SLT Resources Board.	Implementation of the Finance department operating model. Longer term financial planning assumptions and sensitivities to be reviewed on a regular basis.

Risk theme	What we did in 2021/22 to address the risk	What more we'll do in 2022/23
Staff wellbeing and welfare	<p>Training and resources developed for staff and managers.</p> <p>Colleague surveys to understand impact on health and wellbeing.</p> <p>Mental health training for managers and staff, and mental health first aid scheme launched.</p>	<p>Communications to support a return to office working.</p> <p>Development of additional wellbeing training, focused on uncertainty and anxiety.</p> <p>Develop a carers network.</p>

Sources of assurance

As Accounting Officer, the Information Commissioner has responsibility for reviewing the effectiveness of the system of internal control, including the risk management framework. This review is informed by the work of the internal auditors and senior managers who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports.

2021/22 was the third year of our contract for internal audit with Mazars, who were originally contracted to provide our internal audit services until June 2021. A new contract was awarded to Mazars in February 2021 to extend their internal audit services until June 2023.

In Mazars' annual audit opinion, they stated that "On the basis of our audit work, our opinion on the framework of governance, risk management, and control is Moderate in its overall adequacy and effectiveness. Certain weaknesses and exceptions were highlighted by our audit work and three high priority findings were raised. These matters have been discussed with management, to whom we have made several recommendations. All of these have been, or are in the process of being addressed, as detailed in our individual reports. The ICO's has continued to perform well with the implementation of recommendations, with 100% of recommendations being implemented. In respect of Covid-19, our annual internal audit opinion reflects the revised audit plan agreed and is not limited in scope, to the extent that the assurance provided by internal audit can only ever be reasonable, not absolute." "Moderate" is the second highest of the four ratings offered by Mazars, who provide annual report opinions of "substantial", "moderate", "limited" and "unsatisfactory".

Mazars made 35 recommendations in their audits during 2021/22. There were also nine audit recommendations from audits in 2020/21 which had not been due for completion during 2020/21. At year end, Mazars reviewed progress with

these 44 recommendations, and confirmed that all 26 which were due for completion during 2021/22 have been completed. 18 recommendations were not yet due for completion at the time of drafting this report.

The Information Commissioner is satisfied that a plan to address weaknesses in the system of internal control and to ensure continuous improvement of the system is in place. The Information Commissioner is also satisfied that all material risks have been identified and that those risks are being effectively managed.

Remuneration policy

Schedule 4 to the DPA 2018 states that the salary of the Information Commissioner be specified by a Resolution of the House of Commons.

In March 2018 the House resolved that the salary would be £160,000 per annum from 1 April 2018 for the former Information Commissioner. The salary is paid directly from the Consolidated Fund. In addition to this salary, the House also resolved that the former Information Commissioner receive a non-consolidated, non-pensionable annual allowance of £20,000.

A new Information Commissioner was appointed in January 2022. The rate of salary paid to the new Information Commissioner is £200,000 per annum, which continues to be paid from the Consolidated Fund.

In January 2018 the ICO was granted pay flexibility for the pay remit years from 2018/19 to 2020/21. For 2021/22, the ICO reverted to the standard public sector pay policy guidelines issued by HM Treasury, and the annual pay review was conducted in line with the requirements of this guidance.

In matters relating to Executive Team pay, the Information Commissioner also takes into account the advice of the ICO's independent Remuneration Advisory Panel (established from February 2019).

During 2019/20, as part of delivering pay flexibility, the ICO implemented a career progression framework. This framework creates a way the ICO can recognise and reward staff, based on sustained increases in personal competence, contribution and impact within roles, aligned to our vision and values. The framework continued in 2021/22 and has allowed us to attract and retain high calibre staff.

Staff appointments are made on merit, based on fair and open competition and, unless otherwise stated, are open-ended. People who are made redundant are entitled to receive compensation as set out in the Civil Service Compensation Scheme.

Non-Executive Directors are appointed for an initial term of three years, renewable by the Information Commissioner by mutual agreement.

In 2022/23, we typically expected our Non-Executive Directors to contribute 26 days per annum to their role at the ICO. Non-Executive Directors receive an annual fee of £22,464. We typically expect our Senior Independent Director to contribute 30 days per annum to their role at the ICO. They receive an annual fee of £25,920.

There may also be times when, due to the workload of the Management Board, our Non-Executive Directors need to contribute significantly more time than we

typically expect to their role at the ICO. In these circumstances, our Non-Executive Directors may be paid for these additional days.

Remuneration and staff report

Salary and pension entitlements (audited)

Details of the remuneration and pension interests of the Information Commissioner and their most senior officials are provided below.

Remuneration (salary, bonuses, benefits in kind and pensions)

Officials	Salary				Pension benefits				Total (£'000)	
	(£'000) (in bands of £5,000)		Benefits in kind (-nearest £100)		schemes (£'000)		(£'000) (-nearest £1,000)			
	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21
Elizabeth Denham Information Commissioner Note 1	115-120 (180-185 full year)	180-185 note 2	-	-	-	-	45	61	225-230	240-245
John Edwards Information Commissioner Note 3	45-50 (200-205 full year)	-	19,400	-	-	-	19	-	85-90	-
Paul Arnold Deputy Chief Executive and Chief Operating Officer	145-150	120-125	-	-	-	-	109	71	250-254	195-200
Stephen Bonner Executive Director (Regulatory Futures and Innovation)	120-125	20-25 (full year: 120-125)	-	-	-	-	-	-	120-125	20-25 (full year: 120-125)
James Dipple-Johnstone Deputy Commissioner (Chief Regulator Officer)	135-140	120-125	-	-	-	-	23	19.8 note 4	155-160	140-145
Simon McDougall Deputy Commissioner (Executive Director - Technology and Innovation) Note 5	40-45 (120-125 full year)	120-125	100	200	-	-	16	48	55-60	170-175

Officials	Salary				Pension benefits				Total (£'000)	
	(£'000) (in bands of £5,000)		Benefits in kind (-nearest £100)		Compensation schemes (£'000)		(£'000) (-nearest £1,000)			
	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21
Steve Wood Deputy Commissioner (Regulatory Strategy)	120- 125	110- 115	-	-	-	-	53	56	175- 180	165- 170
Ailsa Beaton Non- Executive Board Member	30-35 <small>note 6</small>	30-35	-	-	-	-	-	-	30-35	30-35
David Cooke Non- Executive Board Member	20-25	20-25	-	-	-	-	-	-	20-25	20-25
Peter Hustinx Non- Executive Board Member	20-25	20-25	-	-	-	-	-	-	20-25	20-25
Jane McCall Non- Executive Board Member	20-25	20-25	-	-	-	-	-	-	20-25	20-25
Nicola Wood Senior Independent Director	25-30	25-30	-	-	-	-	-	-	25-30	25-30

Notes:

1. Term concluded on 30 November 2021.
2. This includes a non-consolidated, non-pensionable annual allowance of £20,000.
3. Appointed 3 January 2022.
4. This person is a member of a Partnership pension scheme. We are required to disclose employer contributions to pensions to the nearest £100.
5. Left the ICO on 31 July 2021.
6. Ailsa Beaton is required to undertake some additional duties as part of her role as Chair of Audit and Risk Committee. For these duties she received additional remuneration.

The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, plus the real increase in any lump sum, less the contributions made by the individual. The real increases exclude increases due to inflation or any increase or decrease due to a transfer of pension rights.

Salary comprises gross salary and any other allowance to the extent that it is subject to UK taxation. There were no bonus payments to Board Members in 2021/22.

A relocation package of up to £45k was instructed to the ICO by the DCMS minister (plus up to eight return flights per year to/from New Zealand for the Commissioner, and for his partner, throughout the period of his term) to be paid by the ICO, to cover John Edwards' relocation expenses. The actual spend from this allocation has been reflected as a benefit in kind. All other benefits in kind relate to the organisation's contribution to the ICO's health care plan provided by BHSF.

Pension benefits (audited)

	Accrued pension at pension age as of 31 March 2022 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31 March 2022	CETV at 31 March 2021	Real increase in CETV
	£'000 (in bands of £5,000)	£'000 (in bands of £2,500)	£'000	£'000	£'000
Elizabeth Denham Information Commissioner	20-25	2.5-5	280	246	29
John Edwards Information Commissioner	0-5	0-2.5	15	0	12
Paul Arnold Deputy CEO	45-50 plus a lump sum of 85-90	5-7.5 plus a lump sum of 5-7.5	717	609	70
Stephen Bonner Executive Director (Regulatory Futures and Innovation)	-	-	-	-	-
James Dipple-Johnstone Deputy Commissioner (Regulatory Supervision) ^{Note 1}	-	-	-	-	-
Simon McDougall Executive Director (Technology and Innovation)	20-25	0-2.5	229	222	7
Steve Wood Deputy Commissioner (Regulatory Strategy)	30-35	2.5-5	454	398	30

Notes:

- Member of partnership pension scheme.
The Cash Equivalent Transfer Value (CETV) figures are provided by MyCSP, the ICO's Approved Pensions Administration Centre, who have assured the ICO that they have been correctly calculated following guidance provided by the Government Actuary's Department.

Partnership pensions

There is one member of staff included in the list of the Commissioner's most senior staff who has a partnership pension. Please see note 4 to the table on the previous page.

Civil Service pensions

Further details about the Civil Service pension arrangements are available at civilservicepensionscheme.org.uk.

Cash Equivalent Transfer Values (CETV)

A CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. It represents the amount paid made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme.

The pension figures shown relate to the benefits that the person has accrued because of their total membership of the pension scheme, not just their service in a capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement that the person has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member because of their purchasing additional pension benefits at their own cost. CETV's are worked out in accordance with The Occupational Pensions Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Pay multiples (audited)

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce. The Information Commissioner is deemed to be the highest paid director and no member of staff receives remuneration higher than the highest paid director. The Information Commissioner's salary is set by Parliament.

The banded remuneration of the highest paid director of the ICO in the financial year 2021/22 was £215k to £220k (2020/21: £180k to £185k). The remuneration of the highest paid director increased by 19.1% from the previous

year. The average percentage change in remuneration for all other staff was 1.91%.

The median, 25th percentile and 75th percentile total remuneration is calculated by ranking the annual full-time equivalent salary as of 31 March 2022 for each member of staff. The tables below set out this information.

Salary

	25 th percentile pay ratio	Median pay ratio	75 th percentile pay ratio
2021/22	6.98:1	5.33:1	4.09:1
2020/21	6.29:1	5.22:1	3.99:1

Total pay and benefits

	25 th percentile pay ratio	Median pay ratio	75 th percentile pay ratio
2021/22	7.59:1	5.81:1	4.46:1

The increase in pay ratios in 2021/22 is attributable to the increased pay which was set by Parliament in the recruitment of the new Information Commissioner. This set a new salary of £200,000 for the Commissioner as the highest paid director. The Commissioner's pay is expected to remain the same for the duration of his term and therefore the ratios are expected to reduce in future. Our employee's pay is consistent with our pay, reward and progression policies.

Staff remuneration ranged from £21,175 to £219,400 (2020/21: £20,925 to £180,000).

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions or the CETV of pensions.

Number of senior civil service staff (or equivalent) by band

The following staff are at a grade equivalent to the senior civil service (SCS) bands:

- SCS Band 3: Information Commissioner
- SCS Band 2: Executive Team members (Deputy CEO and Chief Operating Officer; Chief Regulatory Officer; Deputy Commissioner (Regulatory Futures and Innovation); Executive Director (Strategic Change and Transformation); General Counsel
- SCS Band 1: 19 Directors.

Staff composition

As of the end of 2021/22 there were 10 members of the Management Board, of whom seven were male and three were female. Among staff at a grade equivalent to SCS, at the end of 2021/22 13 were male and 12 were female. In total in the ICO at the end of 2021/22, 62% of staff were female and 38% male.

Sickness absence

The average number of sick days taken per person during the year was 6.7 days (2020/21: 6.0 days).

Staff turnover

The staff turnover for the ICO during 2021/22 was 8.15% (2020/21: 3.5%). Staff turnover has been around 8% annually since 2018. This was when we were granted pay flexibility and we introduced our pay progression system, which helped to reduce an increasing turnover rate. 2020/21 saw an exceptionally low level of turnover during the peak of the COVID-19 pandemic.

Staff engagement

The level of engagement in the ICO's staff surveys during 2021/22 was 75% (2020/21: 84%). The surveys this year continued to focus on staff experiences and wellbeing during the COVID-19 pandemic. During 2022/23 we will be consulting staff on our future priorities and values as part of our ICO25 plan.

Staff policies relating to the employment of disabled persons

The ICO's recruitment processes ensure that shortlisting managers only assess the applicant's skills, knowledge and experience for the job. All personal information is removed from applications before shortlisting.

The ICO applies the Disability Confident standard for job applicants who are disabled. It has also assisted in the continued employment of disabled people by providing a work environment that is accessible and equipment that allows people to perform effectively. Our disabled staff are given equal access to training and promotion opportunities and adjustments are made to work arrangements, work patterns and procedures to ensure that people who are, or become, disabled, are treated fairly and can continue to contribute to the ICO's aims.

Staff numbers and costs (audited)

As of 31 March 2022, the ICO had 944 permanent staff (891.4 full time equivalents).

Average number of full-time equivalents during 2021/22

	Permanently employed staff	Temporarily employed staff	2021/22 Total	2020/21 Total
Directly employed	823.4	10.3	833.7	743.6
Agency staff	0	50.2	50.2	43.5
Total employed	823.4	60.5	883.9	787.1

Staff costs

	Permanently employed staff £000	Others £000	2021/22 Total £000	2020/21 Total £000
Wages and salaries	34,289	2,295	36,584	32,281
Social security costs	3,786	0	3,786	3,225
Other pension costs	9,021	0	9,021	7,743
Sub-total	47,096	2,295	49,391	43,249
Less recoveries in respect of outward secondments	91	0	91	20
Total net costs	47,005	2,295	49,300	43,229

Included in staff costs above are notional costs of £240k (2020/21: £256k) in respect of salary and pension entitlements of the Information Commissioner and the associated employer's national insurance contributions (which are credited directly to the General Reserve), temporary agency staff costs of £1.974m (2020/21: £1.503m) and inward staff secondments of £321k (2020/21: £546k), as well as the amounts disclosed in the Remuneration section above.

Expenditure on consultancy

During 2021/22 there was expenditure totalling £936k on consultancy as defined in Cabinet Office spending controls guidance (2020/21: £404k).

This expenditure primarily relates to work done towards the Age appropriate design code as well as developing guidance on the adoption of privacy-enhancing technologies funded through the Regulatory Pioneer Fund.

Off-payroll engagements

There were no off-payroll engagements during 2021/22 (2020/21: none).

Exit packages (audited)

Redundancy and other departure costs are paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the Information Commissioner has agreed early retirements, the additional costs are met by the Information Commissioner and not by the Principal Civil Service Pension Scheme (PCSPS). Ill health retirement costs are met by the pension scheme and are not included in the table above.

There were no compulsory redundancies in 2021/22 (2020/21: none) and no other exit packages (2020/21: none).

Ex-gratia payments made outside the provisions of the Civil Service Compensation Scheme are agreed directly with the Treasury.

Gifts and hospitality

There were no instances of gifts being given by the ICO to any person or organisation that was in excess of the maximum gift limit of £30 set out in the ICO's Gifts and Hospitality Policy.

Trade union facility time

Relevant union officials	2021/22	2020/21
Number of employees who were relevant union officials during the relevant period	22	15
Full time equivalent employee number	1.63	1.30

Percentage of time spent on facility time	2021/22	2020/21
0%	0	0
1-50%	21	14
51%-99%	0	0
100%	1	1

Percentage of pay bill spent on facility time	2021/22	2020/21
Total cost of facility time	£55,462.23	£38,883.40
Total pay bill	£36,584,000	£32,281,000
Percentage	0.16%	0.12%

Paid trade union activities	2021/22	2020/21
Time spent on trade union activities as a percentage of total paid facility time hours	20%	20%

Regularity of expenditure (audited)

There are no regularity of expenditure issues in year.

During 2021/22 the ICO assessed that a number of historic data protection fees owed to the ICO were irrecoverable. In accordance with IFRS 9 Financial Instruments, the ICO, using an expected loss model, made the decision to write-off the value owed. The table below details the value written-off.

Write-offs and losses	2021/22 (£)	2020/21 (£)
GDPR fee income write-off	26,940	0
Total	26,940	0

In accordance with managing public money, individual losses over £300,000 are required to be disclosed separately. No individual or cumulative events breached the disclosure level of £300,000.

Fees and charges (audited)

Information on fees collected from data controllers who notify their processing of personal data under the DPA is provided in the Financial performance summary, as part of the performance report earlier in this document. Further information on data protection fees is also set out in notes 1.5 and 2 to the financial statements.

Remote contingent liabilities (audited)

Please see note 18 to the accounts.

Long-term expenditure trends

The ICO is collecting fees under the GDPR and Data Protection (Charges and Information) Regulations 2018 - this fee structure allows the ICO to better match fee income to the cost of regulation. Fee income is budgeted to be approximately £71.1m for the 2022/23 financial year and is projected to increase to approximately £74.6m for the 2023/24 financial year.

The 3-year spending review, which was completed in 2021/22, resulted in an increased grant-in-aid allocation for our freedom of information work. Grant-in-aid has increased from £7.6m in 2021/22 to £8.0m in 2022/23.



John Edwards

12 July 2022

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

Opinion on financial statements

I certify that I have audited the financial statements of the Information Commissioner's Office for the year ended 31 March 2022 under the Data Protection Act 2018.

The financial statements comprise the Information Commissioner's Office

- Statement of Financial Position as at 31 March 2022;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted International Accounting Standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Information Commissioner's Office's affairs as at 31 March 2022 and its net expenditure for the year then ended; and
- have been properly prepared in accordance with the Data Protection Act 2018 and Secretary of State directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 Audit of Financial Statements of Public Sector Entities in the United Kingdom. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the Information Commissioner's Office in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Information Commissioner's Office use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Information Commissioner's Office ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Information Commissioner with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Information Commissioner's Office is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

Other information

The other information comprises information included in the Annual Report, but does not include the financial statements nor my auditor's certificate and report. The Information Commissioner is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Data Protection Act 2018.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the Data Protection Act 2018; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Information Commissioner's Office and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- I have not received all of the information and explanations I require for my audit; or
- adequate accounting records have not been kept by the Information Commissioner's Office or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or

- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of the Information Commissioner's Responsibilities, the Information Commissioner is responsible for:

- maintaining proper accounting records;
- the preparation of the financial statements and Annual Report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring that the Annual Report and accounts as a whole is fair, balanced and understandable;
- internal controls as the Information Commissioner determines is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error; and
- assessing the Information Commissioner's Office's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Information Commissioner anticipates that the services provided by the Information Commissioner's Office will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Data Protection Act 2018.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations,

including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, we considered the following:

- the nature of the sector, control environment and operational performance including the design of the Information Commissioner's Office's accounting policies.
- Inquiring of management, the Information Commissioner's Office's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Information Commissioner's Office's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Information Commissioner's Office's controls relating to the Information Commissioner's Office's compliance with the Data Protection Act 2018 and Managing Public Money.
- discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Information Commissioner's Office for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, valuation of the CMP provision, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override of controls.

I also obtained an understanding of the Information Commissioner's Office's framework of authority as well as other legal and regulatory frameworks in which the Information Commissioner's Office operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Information Commissioner's Office. The key laws and regulations I

considered in this context included Data Protection Act 2018, Managing Public Money and employment law.

Audit response to identified risk

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- enquiring of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- reading and reviewing minutes of meetings of those charged with governance and the Board and internal audit reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies

Comptroller and Auditor General

13 July 2022

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP



Financial statements

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Statement of comprehensive net expenditure

for the year ended 31 March 2022

		2021/22		2020/21	
	Note	£'000	£'000	£'000	£'000
Expenditure					
Staff costs	3		49,609		43,229
Other expenditure	4	15,315		10,990	
Depreciation and other non-cash costs	4	1,058	16,373	2,205	13,195
Total expenditure			65,982		56,424
Income					
Income from activities	5a		(62,193)		(53,405)
Net Expenditure			3,789		3,019
Total comprehensive expenditure for the year ended 31 March			3,789		3,019

Note: All income and expenditure relates to continuing operations. There was no other comprehensive expenditure for the year ended 31 March 2022 (31 March 2021: Nil)

The notes on pages 125 to 150 form part of these financial statements.

Statement of financial position

as at 31 March 2022

		31 March 2022		31 March 2021	
	Note	£'000	£'000	£'000	£'000
Non-current assets					
Property, plant and equipment	6	985		854	
Right of use assets	7	3,457		2,502	
Intangible assets	8	797		673	
Total non-current assets			5,239		4,029
Current assets					
Trade and other receivables	10	20,150		30,565	
Cash and cash equivalents	11	20,721		16,114	
Total current assets			40,871		46,679
Total assets			46,110		50,708
Current liabilities					
Trade and other payables	12		(30,313)		(39,909)
Provisions	13		(3)		(14)
Lease liability	14		(997)		(1,374)
Non-current assets plus net current assets			14,797		9,411
Non-current liabilities					
Provisions	13		(993)		(859)
Lease liability	14		(2,596)		(1,390)
Assets less liabilities			11,208		7,162
Taxpayers' equity					
General reserve		11,208		7,162	
			11,208		7,162

Note: The notes on pages 125 to 150 form part of these financial statements.



John Edwards
12 July 2022

Statement of cash flows

for the year ended 31 March 2022

	Note	2021/22 £'000	2020/21 £'000
Cash flows from operating activities			
Net expenditure		(3,789)	(3,019)
Adjustment for non-cash items	3, 4, 13	1,380	3,411
Decrease/(increase) in trade and other receivables	10	637	1,002
Increase in trade payables	12	(32)	1,404
Use of provisions	13	(123)	(911)
Net cash (outflow)/inflow from operating activities		(1927)	1,887
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(379)	(239)
Purchase of right of use assets	7	0	0
Purchase of intangible assets	8	(303)	(265)
Net cash outflow from investing activities		(682)	(504)
Cash flows from financing activities			
Right of use assets – lease payments	14	(822)	(1,562)
Grant-in-aid received from DCMS	17	7,578	6,173
Interest payable for lease liabilities	14	0	0
Net cash inflow from financing activities		6,756	4,611
Net increase/(decrease) in cash and cash equivalents during the year before adjustment for receipts and payments to the Consolidated Fund		4,147	5,994
Receipts due to the Consolidated Fund which are outside the scope of the Information Commissioner's activities		12,803	10,945
Payments of amounts due to the Consolidated Fund		(12,344)	(6,979)
Net increase/(decrease) in cash and cash equivalents in the year after adjustment for receipts and payments to the Consolidated Fund		4,606	9,960

Cash and cash equivalents at the start of the year		16,114	6,154
Cash and cash equivalents at the end of the year	11	20,720	16,114

Note: The notes on pages 125 to 150 form part of these financial statements.

Statement of changes in taxpayers' equity for the year ended 31 March 2022

	Note	Revaluation reserve £'000	General reserve £'000	Total reserves £'000
Changes in tax payers' equity 2020/21				
Balance at 31 March 2020		-	3,752	3,752
Grant-in-aid from DCMS	1.3	-	6,173	6,173
Comprehensive expenditure for the year		-	(3,019)	(3,019)
Non-cash charges – Information Commissioner's salary costs	3	-	256	256
Balance at 31 March 2021		-	7,162	7,162
Changes in tax payers' equity 2021/22				
Balance at 31 March 2021		-	7,162	7,162
Grant-in-aid from DCMS		-	7,578	7,578
Comprehensive expenditure for the year		-	(3,789)	(3,789)
Non-cash charges – Information Commissioner's salary costs		-	256	256
Balance at 31 March 2022		-	11,207	11,207

Note: The notes on pages 125 to 150 form part of these financial statements.

Notes to the accounts

1. Statement of accounting policies

We have prepared these financial statements on a going concern basis in accordance with the 2021/22 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, we selected the most appropriate accounting policy to the particular circumstances of the ICO for the purpose of giving a true and fair view. The particular policies adopted by the ICO are described below. We have applied these policies consistently in dealing with items that are considered material to the accounts.

1.1. Accounting convention

We have prepared these accounts under the historical cost convention.

1.2. Disclosure of IFRS in issue but not yet effective

The ICO has reviewed all IFRS standards currently in issue but not yet effective and concluded that none of these are applicable to the ICO. IFRS17 relates to the accounting treatment of issuing of insurance contracts and as such has no impact on the accounts of the ICO:

1.3. Grant-in-aid

Grant-in-aid is received from the Department for Digital, Culture, Media and Sport (DCMS) to fund expenditure on Freedom of Information (FOI), Investigatory Powers Act (IPA), security of Network & Information Regulations (NIS), the Electronic Identification and Trust Services (eIDAS) regulatory work, and for Adequacy assessments, and is credited to the General Reserve on receipt.

1.4. Cash and cash equivalents

Cash and cash equivalents recorded in the Statement of Financial Position and Statement of Cash Flows include cash-in-hand, deposits held at call with banks, other short-term highly liquid investments and bank overdrafts.

1.5. Income from activities and Consolidated Fund income

Income collected under the Data Protection Act 2018 (DPA 2018) is surrendered to the DCMS as Consolidated Fund income, unless the DCMS (with the consent of the Treasury) has directed otherwise, in which case it is treated as Income from activities. There are three main types of income collected:

Data protection notification fees

Fees are collected from annual notification fees paid by data controllers required to register their processing of personal data under the DPA 2018. The Information Commissioner has been directed to retain the fee income collected to fund data protection work and this is recognised in the Statement of Comprehensive Net Expenditure as income. At the end of each year, the Information Commissioner may carry forward to the following year sufficient fee income to pay year-end creditors. Any fees in excess of the limits prescribed within the Management Agreement with DCMS are paid over to the Consolidated Fund. Under IFRS 15, the ICO has a single performance obligation, which is to issue a certificate of registration as a result of receiving the DP Fee. The ICO follows a five-step approach to recognising the fee income under IFRS 15 this is as follows:

Step 1: Identify contract with a customer – In line with guidance from HMT, DP fee income will be treated as the transactional price paid by data controllers (the customer) for the issuing of a certification of registration (performance obligation) by the ICO.

Step 2: Identify performance obligations – The ICO's performance obligation in the DPA 2018 is to present a registration certificate to data controllers at the point of receipt of the DP fee.

Steps 3 and 4: Determine transaction price and allocate the transactional price to each performance obligation – The cost of the DP fee is based on a tier system of size and complexity of an organisation and is set by the Secretary of State based on consultation with the ICO on the forecasted costs of delivering all regulatory services to both organisations and the general public. The single obligation of the ICO remains to provide a Certificate of Registration upon receipt of the DP fee based on the tier of the customers organisation.

Step 5: Recognise revenue when performance obligations are met – This is deemed to be at the point of registration and receipt of the DP fee.

Civil monetary penalties

The Information Commissioner can impose civil monetary penalties for serious breaches of the DPA of up to 4% of global turnover of an enterprise. For breaches of PECR, the Information Commissioner can impose penalties of up to £500k. A penalty can be reduced by 20% if paid within 30 days of being issued. The CMPs collected by the Information Commissioner are paid over to the Government's Consolidated Fund.

The Information Commissioner can impose fines for not paying the data protection fee up to a maximum of £4,350 under the DPA 2018.

The Information Commissioner does not take action to enforce a civil monetary penalty unless and until:

- the period specified in the notice as to when the penalty must be paid has expired and;
- the penalty has not been paid and;
- all relevant appeals against the monetary penalty notice and any variation of it have either been decided or withdrawn and;
- the period for the data controller to appeal against the monetary penalty and any variation of it has expired.

Civil monetary penalties collected by the Information Commissioner are recognised on an accruals basis when issued. They are paid over to the Consolidated Fund, net of any early payment reduction when received. Civil monetary penalties are not recognised in the Statement of Comprehensive Net Expenditure but are treated as a receivable and payable in the Statement of Financial Position. Under IFRS 15 the revenue through fines and penalties is recognised as the fine is the equivalent of a taxable event, the revenue can be measured reliably, and it is probable that the fine will be paid. If the fines are subject to appeal, they are not recognised until the appeal process is finalised and the fine is confirmed as valid.

The amounts recognised are regularly reviewed and subsequently adjusted if a civil monetary penalty is varied, cancelled, impaired or written off as irrecoverable. Amounts are written off as irrecoverable on the receipt of legal advice. Legal fees incurred in recovering debts are currently borne by the ICO.

IFRS 9 requires determination of an amount in respect of expected credit losses, reflecting Management's forward-looking assessment of the recoverability of debts. Under IFRS 9 expected credit losses within 12 months of balance sheet date are accounted for initially, and if significant increase in credit risk, then expected lifetime losses recognised as appropriate. Such an impairment value has been incorporated into the financial statements this year. The impairment value is based on those CMP cases still being investigated by the Enforcement department at year-end and where the expectation of receiving any income from these CMPs has diminished over time, but where enforcement investigations are still ongoing. The ICO impair based on the Insolvency Service estimate of recovery on non-preferential creditors.

Sundry receipts

The Information Commissioner has been directed to retain certain sundry receipts such as other legislative funding, grants, management charges,

reimbursed travel expenses and recovered legal costs. This is recognised in the Statement of Comprehensive Net Expenditure as income.

The Information Commissioner has interpreted the FReM to mean that he is acting as a joint agent with DCMS, and that income not directed to be retained as Income from Activities falls outside of normal operating activities and are not reported through the Statement of Comprehensive Net Expenditure but disclosed separately within the notes to the accounts. This included receipts such as bank interest, which is paid to the Consolidated Fund.

1.6. Notional costs

The salary and pension entitlement of the Information Commissioner are paid directly from the Consolidated Fund and are included within staff costs and reversed with a corresponding credit to the General Reserve.

1.7. Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pensions Scheme.

1.8. Property, plant and equipment

Assets are classified as plant and equipment if they are intended for use on a continuing basis, and their original purchase cost, on an individual basis, is £2,000 or more, except for laptop and desktop computers, which are capitalised even when their individual cost is below £2,000. ICO do not own property i.e. land and buildings. All property is leased by the ICO from private landlords with the exception of the Edinburgh office; leased from another government body.

Plant and equipment (excluding assets under construction) is valued under a depreciated historical cost basis as a proxy for current value in existing use or fair value for assets that have short useful lives or low values.

At each reporting date, the carrying amount of each asset will be reviewed where there is evidence of impairment in line with the accounting standard IAS 36 Impairment of Assets.

If the carrying amount is less than the assets recoverable amount, then an impairment loss is recognised in the Statement of Comprehensive Net Expenditure (SoCNE).

An item of plant and equipment is derecognised in line with IAS 16, either on disposal or when no future economic benefit is expected from its use.

1.9. Depreciation

Depreciation is the charge applied to SoCNE to reduce the value of assets on the Statement of Financial Position (SoFP), to reflect the reduction in the value due to use and wear and tear.

The depreciation charge is provided on a straight-line basis to write off the cost or valuation evenly over the asset's estimated useful economic life. It begins when the asset is made available for use.

The principal rates in use for each class of asset are:

Information technology	Between 3 and 10 years
Plant and equipment	Between 5 and 10 years
Leasehold improvements	Over remainder of the property lease
Right of use assets	Over the remainder of the lease period

Assets in the course of construction are not depreciated in line with the accounting standard IAS 16 Property, Plant and Equipment. These assets are not available for use.

Assets that have been fully depreciated will remain on the Fixed Asset Register at a nil net book value when still in use.

The Depreciation policy is reviewed annually when preparing the ICO's annual accounts. Prior to 2021/22, a full year's depreciation was charged in the year the asset was made available for use with no charge in the year of disposal. This was reviewed within 2021/22 and updated to align to the accounting standard IAS 16 Property, Plant and Equipment which requires depreciation to commence when an asset is made available for use and cease on the date an asset is disposed of by an entity. No prior year adjustment was required due to the immateriality of the net value (see Note 6-8)

All assets on the fixed assets register have been reviewed in line with this change in policy and the adjustment has been included within the 2021/22 statements. A summary of the adjustments reflecting this change is detailed in Note 6: Property, Plant and Equipment.

1.10. Intangible assets and amortisation

Intangible assets including computer software licences are capitalised where expenditure of £2,000 or more is incurred. All intangible assets are held at current value in existing use, which is the market value in existing use. Depreciated historical cost is used as a proxy for fair value on short life or low value assets, which is considered not to be materially different from

fair value. Intangible assets are amortised over their useful economic life, which is estimated as four years or the length of the contract whichever is shorter term.

IAS 38 Intangible assets requires an intangible asset to be derecognised either on disposal or when no future economic benefit is expected from its use.

Additional guidance in April 2021 from the International Financial Reporting Interpretation Committee removed any element of judgement by providing clarity on the treatment of configuration and customisation costs regarding cloud computing arrangements. In cloud computing arrangements, the ICO does not have possession of the underlying software but has access to the use of the software. An exercise was carried out to identify those assets on the fixed asset register which had previously been capitalised, and adjustments made to reverse the cost and accumulated amortisation to SoCNE within the 2021/22 financial statements. No prior period adjustment was required due to the guidance being clarified in this financial year.

1.11. Leases

IFRS 16 "Leases" has been implemented from 1 April 2019; this introduces a single lessee accounting model that requires a lessee to recognise a right of use asset and lease liability for all leases, except for the following:

- intangible assets;
- non-lease components of contracts where applicable;
- low value assets (these are determined to be in line with capitalisation thresholds on Property, Plant and Equipment except vehicles which have been deemed to be not of low value); and
- leases with a term of 12 months or less.

At inception of a contract, the ICO assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period. This includes assets for which there is no consideration. To assess whether a contract conveys the right to control the use of an identified asset, the ICO assesses whether:

- the contract involves the use of an identified asset;
- the ICO has the right to obtain substantially all of the economic benefit from the use of the asset throughout the period of use; and
- the ICO has the right to direct the use of the asset.

The policy is applied to contracts entered into, or changed, on or after 1 April 2019.

At inception, or on reassessment of a contract that contains a lease component, the group allocates the consideration in the contract to each lease component on the basis of the relative standalone prices.

The ICO assesses whether it is reasonably certain to exercise break options or extension options at the lease commencement date. The ICO reassesses this if there are significant events or changes in circumstances that were anticipated.

Right of use assets

The ICO recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease liability (present value of minimum lease payments), and subsequently at the amount less accumulated depreciation and impairment losses, and adjusted for certain re-measurements of the lease liability. Right of use assets are held at current cost in accordance with HMT IFRS 16 guidance. Depreciated historic cost is used as a proxy for current value as directed by HMT guidance on IFRS 16, including for property leases, because property leases are sufficiently short in term and are not expected to fluctuate significantly due to changes in market prices. Lease payments only include the direct cost of the leases and do not include other variables. Lease terms are determined based on advice from the Government Property Unit and in accordance with the business needs of the ICO.

The right of use asset is depreciated using the straight-line method from the commencement date to the earlier of, the end of the useful life of the right of use asset, or the end of the lease term. The estimated useful lives of the right of use assets are determined on the same basis of those of property plant and equipment assets.

The group applies IAS 36 Impairment of Assets to determine whether the right of use asset is impaired and to account for any impairment loss identified.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or where that is not readily determinable, the discount rate as provided by HM Treasury.

Leases entered into:	Discount rate applicable
Prior to 31 December 2019	1.99%
After 1 January 2020	1.27%
After 1 January 2021	0.91%
After 1 January 2022	0.95%

The lease liability only includes the direct lease cost and excludes any service charges. The length of each lease is determined on signing the contractual terms following agreement with the landlord and after gaining permission from the Government Property Unit.

Irrecoverable VAT was included in the 2020/21 recognition of lease liabilities and corresponding right of use asset. HMT guidance issued in October 2021 clarified that "irrecoverable VAT payable on lease payments should not be included in the initial measurement of the right of use asset and lease liability; rather, it should be treated as an expense at the tax point in accordance with IFRIC 21 Levies".

The financial statements presented reflect the current HMT guidance. The VAT component has been derecognised and expensed as a levy in the current financial year. The adjustments are not considered to be material and do not impact prior years. The current year impact is £1,587k reduction in lease liability and right of use asset. A £13k reduction in the interest expense and a £536k reduction in the depreciation charge. The resulting net book value for lease liabilities is £719k lower and for right of use assets £684k lower.

The lease payment is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in the index or rate, if there is a change in the group's estimates of the amount expected to be payable under a residual value guarantee, or if the group changes its assessment of whether it will exercise a purchase, extension, or termination option.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments.
- Variable lease payments that depend on an index or a rate, initially measured using the index rate as at the commencement date.
- Amounts expected to be payable under a residual value guarantee.
- The exercise price under a purchase option that the group is reasonably certain to exercise, lease payments in an optional

renewal period if the ICO is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the ICO is reasonably certain not to terminate early.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in the future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. In 2021/22 a remeasurement of our Wycliffe House lease took place to reflect a rent review which came into effect from February 2022 (See Note 7 Right of use assets)

When the lease liability is re-measured, a corresponding adjustment is made to the right of use asset or recorded in the SoCNE if the carrying amount of the right of use asset is zero.

ICO presents right of use assets that do not meet the definition of investment properties per IAS40 as right of use assets on the Statement of Financial Position. The lease liabilities are included within current and non-current liabilities on the Statement of Financial Position.

1.12. Provisions

Provisions are recognised when there is a present obligation as a result of a past event where it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. These obligations are set out below:

Dilapidations

Dilapidation provisions are the anticipated future cost to return leased properties to their condition as at the commencement of the lease.

Bad debt provision

In accordance with IFRS 9 Financial Instruments, the ICO has created a bad debt provision based on an expected loss model for outstanding data protection fees.

1.13. Value added tax

The Information Commissioner is not registered for VAT as most activities of the ICO are outside the scope of VAT. VAT is charged to the relevant expenditure category. For leases VAT is excluded in the capitalised purchase cost of right to use assets and then is expensed as a finance cost.

1.14. Segmental reporting

The policy for segmental reporting is set out in note 2 to the Financial statements.

2. Analysis of net expenditure by segment

	Data protection fee £'000	Grant-in-aid £'000	Other £'000	2021/22 Total £'000
Gross expenditure	58,037	7,578	367	65,982
Income	(61,826)	-	(367)	(62,193)
Net expenditure	(3,789)	7,578	-	3,789

	Data protection fee £'000	Grant-in-aid £'000	Other £'000	2020/21 Total £'000
Gross expenditure	50,059	6,173	192	56,424
Income	(53,405)	-	-	(53,405)
Net expenditure	(3,346)	6,173	192	3,019

Expenditure is classed as administrative expenditure.

The analysis above is provided for fees and charges purposes and for the purpose of IFRS 8: Operating Segments.

The expenditure segments have been analysed aligned to the ICO's source of funding, data protection fee income, grant-in-aid, and for 2021/22 the ICO also received a grant from the Regulatory Pioneers Fund. The ICO's expenditure is reported against these three sources of income.

Grant-in-aid funding provided in 2021/22 is utilised to fund our freedom of information (FOI) objectives under FOIA as well as the ICO's objectives for Network Infrastructure and Systems regulation (NIS), electronic identification and trust services regulation (eIDAS), Investigatory Powers Act 2016 (IPA) and funding for Adequacy. Grant-in-aid also provides a contribution to Pensions costs and back-office expenditure.

Funding to cover the ICO's data protection work is provided by collecting an annual registration fee from data controllers under the DPA. The data protection notification fee was set by the Secretary of State. In making any fee regulations under section 134 of the DPA 2018, as amended by paragraph 17 of Schedule 2 to FOIA, the Secretary of State had to have regard to the desirability of securing that the fees payable to the Information Commissioner were sufficient to offset the expenses incurred by the Information Commissioner, the Information Tribunal and any expenses of the Secretary of State in respect of the

Commissioner of the Tribunal, and any prior deficits incurred, so far as attributable to the functions under the DPA 2018.

These accounts do not include the expenses incurred by the Information Tribunal or the Secretary of State in respect of the Information Commissioner, and therefore cannot be used to demonstrate that the data protection fees offset expenditure on data protection functions, as set out in the DPA 2018.

Other income was received in 2021/22 via a Grant from the Regulatory Pioneers Fund for two specific projects. The first allows the ICO to develop guidance and provide confidence to organisations in the adoption of privacy-enhancing technologies (PETs). The second of these projects was to develop a proof of concept on whether and how the ICO could provide a direct advice service to innovative businesses on the data protection implications of the novel propositions for investment.

Expenditure is apportioned between the data protection and grant-in-aid work on the basis of costs recorded in the ICO's accounting system. This allocates expenditure to various cost centres across the organisation. A financial model is then applied to apportion expenditure between data protection and grant-in-aid on an actual basis, where possible, or by way of reasoned estimates where expenditure is shared.

3. Staff numbers and related costs

Staff costs comprise:	Permanently employed staff £'000	Others £'000	2021/22 Total £'000	Permanently employed staff £'000	Others £000's	2020/21 Total £'000
Wages and salaries	34,598	2,295	36,893	30,232	2,049	32,281
Social security costs	3,786	-	3,786	3,225	-	3,225
Other pension costs	9,021	-	9,021	7,743	-	7,743
Sub-total	47,405	2,295	49,700	41,200	2,049	43,249
Less recoveries in respect of outward secondments	(91)	-	(91)	(20)	-	(20)
Total net costs	47,314	2,295	49,609	41,180	2,049	43,229

Included in staff costs above are notional costs of £256k (2020/21: £256k) in respect of salary and pension entitlements of the Information Commissioner and the associated employer's national insurance contributions which are credited directly to the General Reserve, temporary agency staff costs of £1.974m (2020/21: £1.503m) and inward staff secondments of £321k (2020/21: £546k) as well as the amounts disclosed in the Remuneration Report.

Average number of persons employed

The average number of whole-time equivalent persons employed during the year was:

	Permanently employed staff	Temporarily employed staff	2021/22 Total	Permanently employed staff	Temporarily employed staff	2020/21 Total
Directly employed	823	10	833	744	-	744
Agency staff	-	50	50	-	43	43
Total employed	823	60	883	744	43	787

Pension arrangements

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as “alpha” – are unfunded multi-employer defined benefit schemes, but the ICO is unable to identify its share of the underlying assets and liabilities.

The scheme actuary valued the PCSPS as at 31 March 2016. Details can be found in the resource accounts of the Cabinet Office Civil Superannuation³⁹.

For 2021/22 employers contributions of £8.773m (2020/21: £7.727m) were payable to the PCSPS at one of four rates in the range 26.6% to 30.3% of pensionable pay, based on salary bands. The Scheme's Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of benefits accruing during 2021/22 to be paid when the member retires and not the benefits paid during the period to existing pensioners.

Employees can opt to open a 'Partnership' account, a stakeholder pension with an employer contribution. Employers' contributions of £187k (2020/21: £152k), were paid to the appointed stakeholder pension provider. Employers' contributions are age-related and range from 8% to 14.75% of pensionable pay.

³⁹ <https://www.civilservicepensionscheme.org.uk/about-us/scheme-valuations/>

In addition, employer contributions of £6k (2020/21: £6k), 0.8% of pensionable pay, were payable to the Principal Civil Service Pension Scheme to cover the cost of future provision of lump sum benefits on death in service and ill health retirement of these employees.

Contributions due to the Partnership pension provider at the Statement of Financial Position date were £6k (2020/21: £6k). Contributions prepaid at this date were £nil (2020/21: £nil).

Other pension costs include notional employers' contributions of £52k (2020/21: £53k) in respect of notional costs in respect of the Information Commissioner.

One individual retired early on health grounds during the year.

4. Other expenditure

	2021/22	2020/21
	£'000	£'000
Accommodation (Business rates and services)	949	774
Rentals under operating leases	739	717
Office supplies and stationery	264	119
Carriage and telecommunications	1,647	1,055
Travel and subsistence	131	43
Staff recruitment	650	224
Specialist assistance and policy research	3,417	1,364
Communications and external relations	228	280
Legal costs	1,071	781
Learning and development, health and safety	458	476
IT Service delivery costs	4,064	4,236
Business development costs	1,421	726
Audit fees	36	32
Grants Fund	240	163
	15,315	10,990
Non-cash items		
Depreciation	835	1,918
Amortisation	179	280
Loss on disposal of assets	44	7
	1,058	2,205
Total expenditure	16,373	13,195

Other expenditure has increased in year by £3,641k. This is driven by increases in campaign costs for new registrations, upgrades to our digital infrastructure and our work delivering on AADC in year.

5. Income

5a. Income from activities

	2021/22		2020/21	
	£'000	£'000	£'000	£'000
Fees	61,787		53,205	
Sundry receipts	406		200	
		62,193		53,405

5b. Consolidated Fund income

	2021/22		2020/21	
	£'000	£'000	£'000	£'000
Fees				
Collected under the DPA	61,787		53,205	
Retained under direction as Income from activities	(61,787)		(53,205)	
		-		-
Civil monetary penalties - Investigations				
Penalties issued	3,554		41,959	
Early payment reductions	(316)		(239)	
Repaid following a successful appeal	-		-	
Uncollectable, cancelled after successful appeals	(1,076)		(3,298)	
Re-issued after appeal	-		-	
Impairments	(533)		(444)	
		1,629		37,978
Civil monetary penalties – Non-payment of fees				
Penalties issued	115		-	
Impairments	(232)		-	
		(117)		-
Sundry receipts				
Receipts under the Proceeds of Crime Act	7		3	
Grant income (repaid)	-		-	
Bank interest received	-		-	
Brexit funding	-		9	
Recovered legal fees	11		5	

	2021/22		2020/21	
	£'000	£'000	£'000	£'000
Reimbursed travel expenses	-		(28)	
Conference fees	-		-	
Management Fee from Telephone Preference Service	14		14	
Income received from The Regulatory Pioneers Fund	367		27	
Income receipts under the Investigatory Powers Act	-		165	
Marketing income	6		5	
	405		200	
Sundry receipts retained under direction as Income from Activities	(405)		(200)	
			-	
Income payable to Consolidated Fund		1,512		37,978
Balances held at the start of the year	34,192		3,191	
Income payable to the Consolidated Fund	1,512		37,978	
Payments to the Consolidated Fund	(12,344)		(6,977)	
Balances held at the end of the year including bank interest (note 12)		23,360		34,192

As set out in note 1.5 income payable to the Consolidated Fund does not form part of the Statement of Comprehensive Net Expenditure. Amounts retained under direction from DCMS with the consent of the Treasury are treated as income from activities within the Statement of Comprehensive Net Expenditure.

The amounts payable at 31 March 2022 were £23.360m (£23.323m plus bank interest). In year the ICO received £19.072m (2020/21: £28.667m).

The civil monetary payment figure at the year-end date includes all civil monetary payments unpaid at that date. These include payments due to DCMS for monetary penalties, being where entities or persons or both have breached GDPR, and for payments due to DCMS for fines where entities or persons or both are found not to have registered with the ICO when they were required by GDPR to do so.

6. Property, plant and equipment

	Information technology	Plant and equipment	Leasehold improvements	2022 Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 April 2021	2,138	242	2,760	5,140
Additions	220	9	150	379
Disposals	(275)	-	-	(275)
At 31 March 2022	2,083	251	2,910	5,244
Depreciation				
At 1 April 2021	1,575	191	2,520	4,286
Charged in year	108	7	88	203
Disposals	(230)	-	-	(230)
At 31 March 2022	1,453	198	2,608	4,259
Net book value at 31 March 2022				
	630	53	302	985
Owned	630	53	302	985
Net book value at 31 March 2021				
	563	51	240	854

	Information technology	Plant and equipment	Leasehold improvements	2021 Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 April 2020	7,532	242	2,760	10,534
Additions	239	-	-	239
Disposals	(5,633)	-	-	(5,633)
At 31 March 2021	2,138	242	2,760	5,140
Depreciation				
At 1 April 2020	6,875	153	2,432	9,460
Charged in year	326	38	88	452
Disposals	(5,626)	-	-	(5,626)
At 31 March 2020	1,575	191	2,520	4,286
Net book value at 31 March 2021				
	563	51	240	854
Owned	563	51	240	854
Net book value at 31 March 2020				
	657	88	328	1,073

As detailed in the statement of accounting policies (notes 1.8 and 1.9), the following summary of assets is representative of the change in depreciation policy. The resulting value is the net book value.

The ICO has not acquired land or buildings.

Information Technology

Information Technology consists of IT related hardware including servers, desktop computers, keyboards, monitors and laptops.

The net book value at 31 March 2022 is £630k (2020/21: £563k). In year there was an adjustment of £275k relating to disposals for items no longer in use.

The annual depreciation charge was £320k. However, following the change in depreciation policy during 2021/22, an adjustment has been included for prior depreciation values for assets which are no longer capital, this reduces the charge by £212k. A net revised charge of £108k is the residual depreciation charge for the year. A further £230k of depreciation was disposed of for items no longer in use. Overall, the annual depreciation for the year is £122k (2020/21: £326k).

£798k of IT hardware at original cost is fully depreciated (2020/21: £677.8k)

Plant and machinery

Plant and equipment consists of office furniture and general office equipment.

The net book value at 31 March 2022 is £53k (2020/21: £51k).

The annual depreciation charge was £39k. However, following the change in depreciation policy during 2021/22, an adjustment has been included for prior depreciation values which reduces the charge by £32k, resulting in a net depreciation charge for the year of £7k (2020/21: £38k).

£45.4k of equipment at original cost is fully depreciated (2020/21: £45.4k).

Leasehold improvements

Leasehold improvements consist of refurbishment work carried out on the leased office premises.

The net book value at 31 March 2022 of £302k (2020/21: £240k) and includes additions of £150k in respect of the Edinburgh office lease.

The annual depreciation charge was £115k. However, following the change in depreciation policy during 2021/22, an adjustment has been included for prior depreciation values which reduces the charge by £27k, resulting in a net depreciation charge for the year of £88k (2020/21: £88k).

£2,320k of improvements at original cost are fully depreciated, (2020/21: £2,320k)

Assets under construction

There were no tangible assets under construction.

7. Right of use assets

	2022 Total £'000	2021 Total £'000
Cost or valuation		
At 1 April	5,434	5,434
Additions	1,587	-
At 31 March	7,021	5,434
Depreciation		
At 1 April	2,932	1,466
Charged in year	632	1,466
At 31 March	3,564	2,932
Net book value at 31 March	3,457	2,502
Asset financing		
Leased under IFRS 16	3,457	2,502
Net book value at 31 March 2022	3,457	2,502

Right of Use Assets consist of eight office leases.

The office leases on Wycliffe House in Wilmslow and the Belfast office were renewed, this financial year. Wycliffe House is ICO's main premises. This lease was renewed 2 January 2022 with new rent effective from 2 February 2022. A rent reduction of 50% is applicable from 2 January 2022 to 1 July 2024 inclusive. The lease length is five years.

The Belfast office lease is for three years from 5 July 2021, with no rent reduction. There are two break clauses in the lease the first of these is dated 5 July 2022 and the second dated 5 July 2025. ICO did not enact the first break clause and the lease has been calculated to the date of the second break clause.

The Edinburgh office is a new lease, this is an occupation of government property under a Memorandum of Terms of Occupation agreement which started 25 August 2021 until 20 February 2044. The lease allows a break clause every five years until 20 February 2044, the first of these is 24 August 2026.

The Kings Court, Wilmslow office has two separate leases; Kings Court East and Kings Court West. The Kings Court East lease is a 10-year lease with a break clause at 9 August 2022. Kings Court West is a 10-year lease with a break clause at 20 January 2025.

Right of use assets are depreciated over the lease length with a charge of £632k this year, (2020/21: £1,466k). This year's figure reflects the removal of the VAT element as per note 1.11 Leases. Irrecoverable VAT was derecognised from the recognition of lease liabilities and corresponding right of use assets. There was an adjustment of £95k for the Kings Court West, Wilmslow depreciation added back to the register in line with a change in depreciation policy.

8. Intangible assets

	Software licences	Assets under construction	2022 Total
	£'000	£'000	£'000
Cost or valuation			
At 1 April 2021	4,338	87	4,425
Additions	39	264	303
Disposals	-	-	-
At 31 March 2022	4,377	351	4,728
Amortisation			
At 1 April 2021	3,752	-	3,752
Charged in year	179	-	179
Disposals	-	-	-
At 31 March 2022	3,931	-	3,931
Net book value at 31 March 2022	446	351	797
Asset financing			
Owned	446	351	797
Net book value at 31 March 2022	446	351	797

	Software licences	Assets under construction	2021 Total
	£'000	£'000	£'000
Cost or valuation			
At 1 April 2020	4,210	-	4,210
Additions	178	87	265
Disposals	(50)	-	(50)
At 31 March 2021	4,338	87	4,425
Amortisation			
At 1 April 2020	3,522	-	3,522
Charged in year	280	-	280
Disposals	(50)	-	(50)
At 31 March 2021	3,752	-	3,752
Net book value at 31 March 2022	586	87	673
Asset financing			
Owned	586	87	673
Net book value at 31 March 2021	586	87	673

The net book value of £797k (2020/21: £673k) for intangible assets at 31 March 2022, includes software licenses £446k (2020/21: £586k and assets under construction £351k (2020/21: £87k).

Software licenses

Following the IFRIC judgement in April 2021, about the capitalisation of cloud-based technology, adjustments have been made to revert £96k original cost and £51k accumulated amortisation of software licenses back to expenditure.

The annual amortisation charge was £271k. However, following the change to the depreciation policy during 2021/22, an adjustment has been made for prior amortised value of £92k resulting in a net amortisation in year of £179k (2020/21: £280k).

Assets under construction

Assets under construction additions £351k consists of three different software projects in which the ICO control the underlying software.

Following the IFRIC judgement in April 2021, about the capitalisation of cloud-based technology, adjustments have been made to revert £87k at cost of work in progress items back to expenditure.

9. Financial instruments

As the cash requirements of the Information Commissioner are met through fees collected under the DPA 2018 and grant-in-aid provided by the DCMS, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The ICO does hold material cash balances on deposit. The movement in retained funds is detailed in Note 11 and included in the cash balance on the Statement of Financial Position. The ICO has no loans and does not use financial instruments to make investments. The financial instruments used relate to contracts to buy non-financial items in line with the ICO's expected purchase and usage requirements and the ICO is therefore exposed to little credit, liquidity or market risk. The credit risk connected to civil monetary penalties is deemed to be low risk to the ICO. A lifetime impairment model of expected loss is used in valuing all creditors to the ICO.

10. Trade receivables and other current assets

	31 March 2022 £'000	31 March 2021 £'000
Amounts falling due within one year:		
Trade debtors	79	49
Prepayments and accrued income	2,220	1,609
Sub-total	2,299	1,658
Consolidated Fund receipts due	16,376	15,224
Less: amounts impaired (note 5b)	(3,545)	(2,444)
Other	20	27
Sub-total	12,851	12,807
	15,150	14,465
Amounts falling due later than one year:		
Prepayments and accrued income		-
Sub-total		-
Consolidated Fund receipts due	5,000	16,100
Less: amounts impaired (note 5b)		-
Other		-

	31 March 2022 £'000	31 March 2021 £'000
Sub-total	5,000	16,100
	5,000	16,100
	20,150	30,565

The receipts due to the Consolidated Fund relate to monetary penalties and fines that have been levied against entities or persons or both at 31 March 2022 but are yet to be received by the ICO. The ICO collects these monies on behalf of the Consolidated Fund and then passes these payments on. This creates a resulting payable detailed in Note 12: Trade payables and other current liabilities.

11. Cash and cash equivalents

	31 March 2022 £'000	31 March 2021 £'000
Balance at 1 April	16,114	6,154
Net change in cash and cash equivalent balances	4,607	9,960
Balance at 31 March	20,721	16,114
Split:		
Commercial banks and cash in hand	9,544	12,514
Government Banking Service	11,177	3,600
	20,721	16,114

12. Trade payables and other current liabilities

	31 March 2022 £'000	31 March 2021 £'000
Amounts falling due within one year:		
Taxation and social security	1,092	868
Trade payables	915	908
Other payables	2,866	2,287
Accruals and deferred income	2,080	1,654
Sub-total	6,953	5,717
Amount payable to government (note 5b)	13,360	13,092
	20,313	18,809
Amounts falling due later than one year:		

	31 March 2022 £'000	31 March 2021 £'000
Taxation and social security	-	-
Trade payables	-	-
Other payables	-	-
Accruals and deferred income	-	-
Sub-total	-	-
Amount payable to government (note 5b)	10,000	21,100
	30,313	39,909

The amount payable to the sponsor department represents the amount which will be due to be paid to the Consolidated Fund when all of the income due from monetary penalties and fines is collected. The payable value is larger than receivables detailed in Note 10: Trade receivables and other current assets due to timing differences of the ICO collecting the monies and paying to the consolidated fund.

13. Provision for liabilities and charges

	Pay Award 2021/ 22 £'000	Dilapidations 2021/ 22 £'000	Bad Debt 2021/ 22 £'000	Total 2020/ 21 £'000
Balance at 1 April 2021	-	859	14	873
Provided in year	-	134	14	148
Provision utilised in year	-	-	(25)	(25)
Balance at 31 March 2022	-	993	3	996

	Pay Award 2020/ 21 £'000	Dilapidations 2020/ 21 £'000	Bad Debt 2020/ 21 £'000	Total 2020/ 21 £'000
Balance at 1 April 2020	911	859	-	1,770
Provided in year	-	-	14	14
Provision utilised in year	(911)	-	-	(911)
Balance at 31 March 2021	-	859	14	873

Analysis of expected timing of discounted flow:

	Dilapidations		Bad debt		Total	
	2021 / 22 £'000	2020/ 21 £'000	2021/ 22 £'000	2020/ 21 £'000	2021/ 22 £'000	2020/ 21 £'000
Not later than one year	-	-	3	14	3	14
Later than one year and not later than five years	993	859	-	-	993	859
Later than five years	-	-	-	-	-	-
Balance at 31 March	993	859	3	14	996	873

Dilapidations' provision

The lease on the ICO main premises at Wycliffe House, Wilmslow was renewed 2 January 2022 with a break clause in five years' time. A provision has been made for dilapidations based upon the assessment by Avison Young (the trading name of GVA), commercial property advisers, dated January 2022 for the full Wilmslow estate with the exception of Venture House.

The ICO also occupies government property in Edinburgh under Memorandum of Terms of Occupation agreements ending in 2044 and direct leases with landlords for Belfast and Cardiff offices. The ICO may have dilapidations liabilities at the end of the terms of these occupations, but these are considered immaterial to recognise further.

14. Lease liabilities

Maturity analysis – contractual undiscounted cashflows	31 March 2022 £'000	31 March 2021 £'000
Less than one year	997	1,443
Between two and five years	2,597	1,543
Later than five years	-	-
	3,594	2,986
Lease liabilities included in the balance sheet		
Current	997	1,374
Non-current	2,597	1,390

	3,594	2,764
Movement in lease during the year		
As at start of financial year	2,764	4,246
Interest charged to the income statement	66	80
Lease liability in relation to new leases	1,586	-
Lease rental payments	(822)	(1,562)
	3,594	2,764

15. Capital commitments

There were no capital commitments in the year ended 31 March 2022 (2020/21: £0).

16. Commitments under operating leases

The 2021/22 presentation under IFRS 16 Leases includes all leases on balance sheet as right of use assets with a corresponding lease liability, other than leases which are short leases (terms of 12 months or less) or low value leases (asset value of less than £5,000). Leases that qualify for these exemptions are included within the disclosure below for 2021/22.

The future aggregate minimum lease payments under non-cancellable leases not accounted for elsewhere under IFRS 16 are as follows:

	31 March 2022	31 March 2021
Total future minimum lease payments under operating leases are:	£'000	£'000
Not later than one year	372	461
Later than one year and not later than five years		-
Later than five years		-
	372	461

The minimum lease payments are determined from the relevant lease agreements and do not reflect possible increases as a result of market-based reviews. The lease expenditure charged to the Statement of Comprehensive Net Expenditure during the year is disclosed in note 4.

17. Related party transactions

The Information Commissioner confirms that he had no personal business interests which conflict with his responsibilities as Information Commissioner.

During the financial year 2021/22, DCMS was a related party to the Information Commissioner.

During the year no related party transactions were entered into, with the exception of providing the Information Commissioner with grant-in-aid, other funding and the appropriation-in-aid of Civil Monetary Penalty and sundry receipts to the Ministry of Justice for surrender to the Consolidated Fund.

In addition, the Information Commissioner has had various material transactions with other central government bodies, most of these transactions have been with the Principal Civil Service Pension Scheme (PCSPS). For list of transactions see Remuneration and Staff Report.

None of the key managerial staff or other related parties has undertaken any material transaction with the Information Commissioner during the year.

18. Contingent liabilities

There are no contingent liabilities at 31 March 2022 (31 March 2021: none).

19. Events after the reporting period

Up until 2021/22 the costs of any legal fees incurred in the imposition and recovery of the monetary penalties were fully borne by the ICO. We proposed to Government that these legal costs should be recovered from monetary penalty income, ensuring that these are not funded by fee-paying organisations. This cost recovery model is in practice at other UK regulators. This approach has now been approved by Government and will be in place from the 2022/23 financial year.

Other than this there were no events between the Statement of Financial Position date and the date the accounts were authorised for issue, which is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General.

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