

DRCF Terms of Reference (ToR)

Background

Introduction

The Digital Regulation Cooperation Forum (DRCF) brings together 4 UK regulators tasked with regulating digital services to collectively drive greater regulatory co-operation and deliver coherent approaches to digital regulation.

Purpose

Statement of ambition

The DRCF aims to support cooperation and coordination between member regulators on digital regulatory matters. By enabling coherent, informed and responsive regulation of the UK digital economy we can serve citizens and consumers better, reduce regulatory burdens for industry where appropriate, and enhance the global impact and position of the UK.

Goals and objectives

Goals

The goals of the DRCF are threefold:

- to promote greater coherence, so that where regulatory regimes intersect the DRCF helps to resolve potential tensions, offering clarity for people and industry
- to work collaboratively on areas of common interest and jointly address complex problems
- to work together to build the necessary capabilities, learning from what each regulator is doing and striving to be best in class, both now and in the future

Objectives

The objectives of the DRCF include:

Objective 1: Promote coherent regulatory policy making, using the collective expertise of its member regulators to explore and respond to policy challenges in the digital space.

Objective 2: Collaborate to ensure that regulation and other enforcement tools applied to the digital landscape are implemented by its member regulators in a coherent way.

Objective 3: Enhance regulatory capabilities by pooling knowledge and resources to ensure that its member regulators have the skills, expertise and tools needed to carry out their functions effectively in digital markets.

Objective 4: Anticipate future developments by developing a shared understanding of emerging digital trends, to enhance regulator effectiveness and inform strategy.

Objective 5: Promote innovation by sharing knowledge and experience, including regarding innovation in the approaches of regulators.

Objective 6: Strengthen international engagement with regulatory bodies to exchange information and share best practice regarding approaches to the regulation of digital markets.

Status and accountability

The DRCF is a voluntary cooperation forum that facilitates engagement between regulators on digital policy areas of mutual interest.

It is not a statutory or incorporated entity and does not provide formal advice or direction to member regulators, who remain individually accountable for the delivery of their functions.

Membership

Founding membership

The DRCF was established by the CMA, ICO and Ofcom in June 2020, with the FCA becoming a full member in April 2021.

Eligibility for membership

Membership is open to independent public sector bodies with statutory powers for regulating digital services, where these have significant intersection with those of DRCF member regulators.

Where this eligibility criterion is met, membership is at the discretion of the existing member regulators, having regard to the likely net benefit in respect of delivery of the goals and objectives of the DRCF. Decisions on membership require unanimous agreement from member regulators. Member regulators will revisit membership decisions on an annual basis.

Requirements of member regulators

Members of the DRCF will commit to:

- advancing the objectives and ambition of the DRCF
- actively contributing to the design, development and delivery of the annual workplan
- providing effective resources to oversee and contribute to projects (including via the core team)
- undertaking the roles and responsibilities outlined for DRCF CEOs, directors, and project sponsors
- contributing to the DRCF budget agreed annually

Project partners

Member regulators may partner with organisations that have significant subject-specific interests and expertise in digital technology in order to deliver DRCF projects.

Withdrawal of membership

Any member who wishes to withdraw from DRCF membership can do so at any time by serving notice on the other members. The notice period will be until the end of the period covered by the current annual workplan or three months, whichever is longer.

Roles and responsibilities

Chair

The chair is a CEO from a member regulator and is elected by the DRCF CEOs and agreed by mutual consent.

The chair is responsible for:

- chairing quarterly CEO meetings and ensuring each member regulator is represented equally
- overseeing the effectiveness of the DRCF CEO in operationalising the strategic direction of the DRCF
- leading the appointment and appraisal of the DRCF CEO

Member regulator CEOs

Member regulator CEOs are responsible for:

- setting the strategic direction of the DRCF
- providing effective resource to support the DRCF's work
- advancing the DRCF objectives and working collaboratively with DRCF member regulators

- representing the DRCF externally as appropriate
- contributing to the quarterly CEO meeting
- supporting the recruitment and appraisal of the DRCF CEO
- championing the work of the DRCF in their member regulators

DRCF CEO

The DRCF CEO is accountable to the member regulator CEOs for the leadership of the DRCF and operationalising the strategic direction set with the member regulator CEOs.

The DRCF CEO is responsible for:

- leading the DRCF, delivering through the DRCF core team (made up of people from across the member regulator)
- developing and overseeing delivery of the programme of work
- promoting coherence and effectiveness of digital regulation

Directors

Member regulators provide senior-level resource to support the work of the DRCF. These directors are accountable to their member regulator CEO for ensuring their member regulator's policy and strategic focus is represented in the planning and delivery of the workplan and working collaboratively with other regulators for the benefit of the DRCF.

Directors are responsible for:

- advising and assisting the member regulator CEOs with setting the strategic direction of the DRCF and supporting the development of the annual workplan
- providing advice and assistance to the DRCF CEO in operationalising the strategic direction of the DRCF
- where relevant, acting as delegate for member regulator CEOs on DRCF matters
- assuring member regulator CEOs that the work of the DRCF has been through appropriate governance within their organisation
- acting as a point of resolution for risks, issues and differences of opinion
- providing operational support to the DRCF through supporting the allocation of resources

Project sponsors

Project sponsors are senior individuals within member regulators who are put forward to sponsor individual DRCF projects. They are accountable for the design, development and delivery of the project, including the work of their allocated project leads and teams.

Project sponsors are responsible for:

- overseeing and supporting the project team with the design, development and delivery of their project
- overseeing the governance of their project within their regulator
- identifying and agreeing effective project resource needed for project delivery
- providing advice and direction to project leads
- providing quality assurance to project deliverables and reporting
- ensuring their DRCF director and the DRCF core team are apprised of project progress and any challenges
- acting as the first point of resolution for risks, issues and policy matters within their project area

Appointment of the DRCF chair and DRCF CEO

Appointment and term of DRCF chair

The DRCF chair is a CEO from a member regulator and is elected by the DRCF CEOs and agreed by mutual consent for a 1-year period.

Appointment and term of DRCF CEO

The DRCF CEO's appointment will be led by the chair, agreed unanimously by the CEOs and will be for an initial 2-year period.

Decision making

Decisions made by member regulator CEOs in relation to the DRCF workplan and in relation to strategy, policy and operational matters should be unanimous.

Decisions made by member regulator CEOs in relation to DRCF do not override those of individual member regulators. Equally these decisions cannot direct or compel a DRCF member regulator.

Annual workplan

Member regulator CEOs will agree and publish a workplan setting out the areas of work for the next financial year by the end of April each year.

An annual report providing a transparent account of progress and achievements over the previous year will be published alongside the workplan.

Budget

The DRCF CEO will propose a budget for the member regulator CEOs to discuss and agree by the start of each financial year.

The member regulator CEOs will ensure approval of such budget is not unreasonably withheld. Costs within the budget will be split equally between the DRCF member organisations unless otherwise unanimously agreed by all members.

Unanimous approval of the budget from all DRCF members is required.

The DRCF financial MoU sets out financial arrangements.

The core team will produce an annual financial statement of compliance against controls each year and a quarterly financial report of spend against budget.

Amendments to ToR and processes

DRCF member regulators reserve the right to update this document at any time and amendments require the unanimous agreement of member regulators.

Closure of DRCF

The DRCF can be closed for any reason upon the agreement of member regulators. This requires the unanimous agreement of member regulators.

The DRCF will satisfy the respective needs of member regulators' information governance and retention policies.

Language

The DRCF publishes in English and provides key documents in Welsh.

Key policies and governance

DRCF member regulators will have regard to their respective regulator's key policies and governance.