



Department for
Business, Energy
& Industrial Strategy

Smart Data working group

Terms of reference for the Department for Business, Energy and Industrial Strategy to establish a cross-sector Smart Data working group



© Crown copyright 2020

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3 or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gsi.gov.uk.

Where we have identified any third-party copyright information you will need to obtain permission from the copyright holders concerned.

Any enquiries regarding this publication should be sent to us at: enquiries@beis.gov.uk

Contents

Background	4
Terms of Reference	4
Scope and Objectives of the working group	4
Membership	6
Workplan	7
Governance and reporting	7
Stakeholder engagement	8
Broader context for this work programme	8

Background

1. These Terms of Reference relate to the Smart Data working group, announced in the Next steps for Smart Data publication published alongside this Terms of Reference. This followed a consultation (the Smart Data Review) carried out in 2019,¹ which had itself been announced in the 'Modernising Consumer Markets' green paper published in 2018.²
2. The government intends this group to support the development of systems and standards that facilitate Smart Data innovations, including services to customers that work across sectors. The group aims to spur Smart Data initiatives on, reduce duplication, and maximise the potential of these schemes across sectors. This group will support the ultimate objectives of new, innovative, services for consumers and SMEs which save them time, money and effort, and increased competition in the sectors involved.
3. The group is initially expected to run for 6-12 months.
4. The following terms of reference relate to the membership, role, activities, outputs, and the advisory function of the working group.

Terms of Reference

Scope and Objectives of the working group

5. The aims for the working group are to:
 - support the development and delivery of Smart Data infrastructure and standards for the benefit of consumers, particularly vulnerable consumers
 - where appropriate encourage commonality or consistency of approach across Smart Data initiatives to enable interoperability and cross-sector innovations
 - improve efficiency by reducing duplication across Smart Data initiatives and re-using assets or resources from prior smart-data initiatives
6. The working group will focus initially on regulated sectors, and specifically the sectors where Smart Data and data portability initiatives are already being developed: Open Banking, Midata in the energy sector, the Pensions Dashboards, Open Finance and Open Communications.

¹ <https://www.gov.uk/government/consultations/smart-data-putting-consumers-in-control-of-their-data-and-enabling-innovation>

² <https://www.gov.uk/government/consultations/consumer-green-paper-modernising-consumer-markets>

7. This is a cross-sector advisory group, established for 6 months, with potential to extend for a further 6 months. During this time, the group's remit is to develop practical recommendations for how Smart Data initiatives can be taken forward at pace, and made consistent where feasible to avoid duplication. The group will not be responsible for delivering sector initiatives or deciding the future of the Open Banking Implementation Entity (OBIE). The group will focus on areas of cross-sectoral interest, while sector-specific project teams will continue to be responsible for individual initiatives.
8. To this end, the Smart Data working group will aim to produce by Spring 2021:
 - A comprehensive list of all current and contemplated departmental and regulatory initiatives which rely upon Smart Data together with a description of their state of development and timescale.
 - guidance and common resources for existing data portability initiatives to help ensure consistency where appropriate, reduce duplication, and support the development of high-quality standards and systems across sectors.
 - recommendations for existing and future data portability initiatives, on areas to standardise across Smart Data initiatives in different sectors
 - recommendations to BEIS for implementation of interoperable Smart Data initiatives which deliver tangible innovations.
 - agreed timeline and updated workplan for the working group for the following 6 months, if necessary. This may include details for how to deliver any outputs which have not been possible to deliver within the first 6 months.
9. The group is not seeking to align all aspects of Smart Data initiatives. Different problems in different markets mean that not all smart data solutions will look or work the same way. Any work by the group will acknowledge progress that has been made and will not seek to create duplicative structures. For example, work is ongoing at the sector level to identify and prioritise innovations. This will inform the work of the group, while we also expect new innovations which we have not envisaged to emerge across sectors as markets and technology continue to evolve.
10. Where possible the group and its recommendations should use existing assets to minimise cost and ensure alignment with existing data protection measures. The group will not act as a substitute for regulatory oversight of products and services.
11. Measures of success for the group include the acceleration of sector initiatives – including the standards and systems that will underpin them - and increased coordination across sectors. This should lead to an increased number of third-party providers and consumers using Smart Data initiatives, driving better outcomes for consumers and small businesses. Ultimately the working group aims to help increase public trust and confidence in data sharing.

Membership

12. The working group includes representatives from the following organisations:
- The Department for Business, Energy and Industrial Strategy, both in its role as convener of the cross-sector group and as the department with responsibility for energy policy (and therefore Smart Data in the energy market, as being pursued through the Midata³ project)
 - Ofgem, as regulator of the energy market in charge of delivery of the Midata project.
 - The Department for Digital, Culture, Media and Sport, the department with responsibility for telecoms policy (and therefore Smart Data in the communications markets, as being pursued through the Open Communications⁴ project). The Department also has a role in relation to any future extension of Smart Data to digital markets (such as social media or purchasing platforms), and its overall responsibility for the UK's National Data Strategy, data availability framework and data protection policy.⁵
 - Ofcom, as regulator of the telecommunications markets, in charge of delivery of Open Communications.
 - The Department for Work and Pensions, responsible for Smart Data in pensions which is being delivered through the Pensions Dashboards⁶ project.
 - HM Treasury, the department with responsibility for policy on the regulation of financial services, and therefore Smart Data in financial services markets, as being pursued through Open Banking⁷ and Open Finance⁸. It also has an interest in relation to the Pensions Dashboards, through its oversight of the Financial Conduct Authority.
 - The Financial Conduct Authority, which regulates and supervises firms involved in Open Banking, including by monitoring these firms' compliance with their regulatory requirements, and the firms involved in Pensions Dashboards, and is leading the Open Finance initiative.
 - The Competition and Markets Authority, which put in place the Order⁹ leading to the formation of, and now oversees, the Open Banking Implementation Entity. The Competition and Markets Authority is also involved in policy work considering the proposal, made by the Digital Competition Expert Panel¹⁰, for a Digital Markets Unit. Such a unit might have a role in relation to any future extension of Smart Data to digital markets.
 - The UK Regulators Network, whose membership is formed of regulators from the UK's utilities, financial and transport sectors.

³ <https://www.ofgem.gov.uk/gas/retail-market/market-review-and-reform/midata-energy-project>

⁴ Announced in the Smart Data Review (See footnote 1)

⁵ <https://www.gov.uk/guidance/national-data-strategy>

⁶ <https://www.gov.uk/government/consultations/pensions-dashboards-feasibility-report-and-consultation>

⁷ <https://www.openbanking.org.uk/>

⁸ <https://www.fca.org.uk/publications/calls-input/call-input-open-finance>

⁹ <https://www.gov.uk/government/publications/retail-banking-market-investigation-order-2017>

¹⁰ <https://www.gov.uk/government/publications/unlocking-digital-competition-report-of-the-digital-competition-expert-panel>

13. Representatives from The Information Commissioner's Office will attend meetings as observers.

Workplan

14. The working group's workplan will be agreed between member organisations. Workstreams will cover, but are not limited to, the following topics: accreditation of third-party providers, authentication and authorisation, the liability framework and customer consent. Regular updates on progress across workstreams will take place at the group meetings.
15. The group will also advise BEIS on the development of a Vulnerable Consumer Challenge. This was proposed in the consultation to develop tools that will enable vulnerable consumers to access Smart Data initiatives. The Challenge, if implemented, is envisaged to combine consumer organisations, charities, and technology companies to develop digital and non-digital solutions for vulnerable consumers using Smart Data. The working group will play a valuable role aligning the challenge with Smart Data initiative launches, developing cross-sectoral ambitions and considering options for funding.

Governance and reporting

16. The working group will provide updates to a BEIS minister on the progress of its cross-sectoral work, including the final recommendations, and updates on sector-specific initiatives.
17. Regular updates on progress and direction will be presented to the Consumer Forum and the Consumer Forum working group. The Forum brings together the CEOs of Ofgem, Ofcom, the FCA, the CMA, the economic regulator for water (Ofwat), the Office of Rail and Road, and the Civil Aviation Authority, with the relevant ministers from their respective sponsor departments.
18. Director level engagement will be required at regular intervals across member organisations. The working group will advise on the frequency of this as part of the initial workplan.
19. It remains at the discretion of the regulator and relevant department how the recommendations made by the group are taken forward in each sector. The independence of the regulators will be respected and maintained through the work of the working group and its reporting. The working group does not circumvent or duplicate existing regulator decision-making processes.
20. Following the working group's recommendations to government (expected to be in Spring 2021), government will set out next steps and any ongoing activities for a

working group. This could involve an extension of the working group for a further 6 months.

21. Sector initiatives are expected to continue the development of their initiatives during this time, taking into account the group's recommendations for agreed areas of consistency.

Stakeholder engagement

22. The working group will have a public facing role to promote clear and consistent messaging to both industry and consumers on Smart Data, provide updates on progress, generate awareness and excitement, and build momentum for Smart Data uptake.
23. In addition to its members and observers, The working group will call upon experts from other sectors as relevant, for example the Bank of England, the Centre for Data Ethics and Innovation, the Open Banking Implementation Entity, the Open Data Institute. It will draw on academic and industry expertise and, subject to available funds, will conduct bespoke research to supplement existing evidence.
24. The group, led by a BEIS secretariat, will engage with consumer bodies, such as Citizens Advice, and business groups where relevant. This is to ensure its recommendations are proportionate, in order to build effective measures to promote growth and innovation, and improve outcomes for consumers and businesses. There will be a role for existing Smart Data initiatives and group members to drive further engagement through existing stakeholder networks throughout the process to ensure that third-party providers, data suppliers and industry are engaged.
25. A further public consultation, led by BEIS, may be required following the working group's recommendations, giving consumers and industry a formal route to voice their opinions.

Broader context for this work programme

26. There are links between Smart Data and other digital policy areas. The working group and the recommendations made should be flexible and adaptable to accommodate new sectors or align with wider initiatives. For example, the group will engage with and provide updates on progress to the National Data Strategy team and ensure consistency with any work progressed in relation to the Digital Competition Expert Panel's recommendations for digital markets and the CMA's online platforms and digital advertising market study.¹¹
27. When developing this advice, the group will have due regard to potential interactions with wider related work. For example, in the private sector the TISA are developing APIs

¹¹ <https://www.gov.uk/cma-cases/online-platforms-and-digital-advertising-market-study>

for savings and investment products which fall within the Open Finance remit¹², meanwhile in the public and private sector work continues around Digital Identification.

28. In making final decisions on future cross-sector collaboration on Smart Data, the government will draw upon the working group's advice, as necessary, alongside consideration of government's wider policy and objectives.

¹² <https://www.tisa.uk.com/tisa-groups-projects/open-savings-investments/>

This publication is available from: www.gov.uk/beis

If you need a version of this document in a more accessible format, please email enquiries@beis.gov.uk. Please tell us what format you need. It will help us if you say what assistive technology you use.