

# SME Data Essentials pilot final evaluation

Economic analysis – impact and  
evaluation

February 2023



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# Executive summary

## A piloting success

The purpose of piloting is to test feasibility, learn how to operationalise a policy, how to overcome implementation barriers, and how to improve processes and outcomes. The SME Data Essentials (DE) Pilot has certainly proved successful in achieving this purpose. The Pilot has achieved much success in terms of impact, and revealed a range of learnings around design and implementation, all of which will prove significantly valuable for considerations around future phases of the SME DE Project.

- **The Pilot met the expectations of nine out of ten respondents.**
- **Almost all final feedback survey respondents (92%) would recommend this or a similar training programme to other SME owners.**
- **Approximately 85% of respondents reported increased knowledge of data protection compared to before starting the Pilot.**
- **A majority (96%) of survey respondents reported feeling more confident dealing with data protection issues since starting the Pilot.**

## Implementation not without procurement challenges

The evaluation found there was a sound rationale for the Pilot and a supportive context. The Pilot's implementation has been successful, and this was backed up by feedback from participants as well as internal consultees. The main challenges have been around timing pinch points, procurement, and ways of working with an external supplier.

## Learning around completion and engagement

In terms of engagement, the rate at which applicants for the Pilot signed up and activated their accounts was 52 of the targeted 60 SMEs. This rate was off target but still relatively high at 87%. A disproportionate amount of the participants were not-for-profit organisations, reflecting the definition of SMEs used in the Pilot. There was learning around completion rates as engagement tailed off significantly from organisations activating their account to progression through the modules, with just 25% completing all 11 modules.

## Driving change and reputational impact

Participants reported improvements to their confidence and knowledge of data protection issues. The majority said they had or were planning to make changes to policies, process, and staff training as a result of participating in the Pilot. There was also evidence that the Pilot has led to positive reputational impact for the ICO. The idea that participation would improve consumer confidence or other business impacts did not resonate with participants, highlighting a need to better communicate this route to impact.

### **Costs and benefits**

There was a time cost of around half a working day for completing the modules. On top of this, participants reported some time investment in making changes as a result of what they had learned. Some also reported potentially spending less on external advice or assistance, as a result of participation, indicating a reduction in costs. The cost implications are a natural consequence of participation and are likely to be outweighed by the benefits, particularly as participation is voluntary.

### **A positive direction of travel for achieving long-term outcomes**

Policy impact is often the most difficult aspect to measure, relative to outputs and outcomes, since it will occur over a longer period of time and be influenced by other factors. Given the timing of this report, impact evidence is restricted to shorter-term impacts. However, there is evidence of participants making changes, or planning to make changes, that will enhance their data protection processes and procedures with strong attribution to the Pilot. This is a vital link in the SME DE Theory of Change and shows a positive direction of travel in terms of achieving long-term outcomes and ultimate impacts. This evidence is significant for ICO decision makers in the context of the purpose of the Pilot and testing the assumptions that underline the concept.

### **Successes to build on and challenges to reflect on**

The Pilot has provided a number of learning points which include successes to build on and replicate, and challenges to reflect on. Organisationally, the Pilot is a strong demonstrator of how the ICO can collaborate effectively, innovate, and experiment to find new ways to support SMEs. The evaluation makes a number of direct recommendations for attention, while also highlighting a number of thematic areas for further consideration, both for future phases of SME DE but also for the organisation more broadly. These include:

- revisiting definitions and messaging around SMEs;
- draw on learnings when engaging in future procurement exercises for the technology platform;
- consideration of how to keep participants engaged throughout and whether there are options around incentives for completion;
- offering different forms of tailored support for different organisation types (eg for profit, not-for-profit including voluntary and charities) and sectors to maximise outcomes and impact;
- informing future engagement strategies and target setting by enhancing understanding of likely engagement routes for those not on the data protection (DP) register;
- a need to better communicate the link between participation and improving consumer confidence or other business impacts, as this did not resonate with participants; and
- targeted research on the wide-ranging implications (cost, resourcing, reputational impacts, risks, opportunities, etc) of implementing a badge or other recognition system upon completion of the course -whilst recognising the importance of delineation from existing approaches to certification and codes of conduct required in UK GDPR.

# 1. Introduction

This report presents the findings of the SME Data Essentials (DE) pilot evaluation (referred to as the Pilot). The Pilot is the first phase of the wider SME Data Essentials project (referred to as the Project). This Project is a key output of the wider SME Digital Solutions programme (referred to as the Programme) aiming to produce a range of e-learning modules and products for SMEs. The Programme, Project and Pilot are being led by the ICO's Digital, IT and Business Services directorate, with the Economic Analysis team leading on the evaluation of the Pilot. The Pilot was designed, tested, and delivered between September 2021 and November 2022.

An interim evaluation report was produced in early October 2022, providing an early-stage assessment of the Pilot to inform initial thinking about the future direction of the Project. The Project has since been identified as an ICO25 priority action and, as such, this evaluation will help inform next steps and considerations for further rollout.<sup>1</sup>

The evaluation has been delivered using both *process* and *impact* approaches to evaluation. Thus, this report considers learnings from how the Pilot was designed and implemented, and also what difference the Pilot has made in terms of impact.

The remainder of this report is structured as follows:

- Section 2 explains our approach to the evaluation.
- Section 3 gives an overview of Pilot design and implementation.
- Section 4 discusses delivery, take-up, and progression.
- Section 5 presents the outcomes.
- Section 6 summarises our conclusions and explores recommendations.

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<sup>1</sup> ICO (2022) [ICO25 strategic plan](#), p26

## 2. Approach to the evaluation

Our approach draws on best practice in evaluation from [HM Treasury's Magenta Book](#). A good evaluation is useful, credible, robust, proportionate, and tailored around the needs of various stakeholders, such as decision-makers, users, implementers, and the public. When interpreting the findings from this final report, readers should bear in mind the remainder of this section on:

- the Theory of Change;
- evaluation questions; and
- our evidence base.

### 2.1. Theory of Change

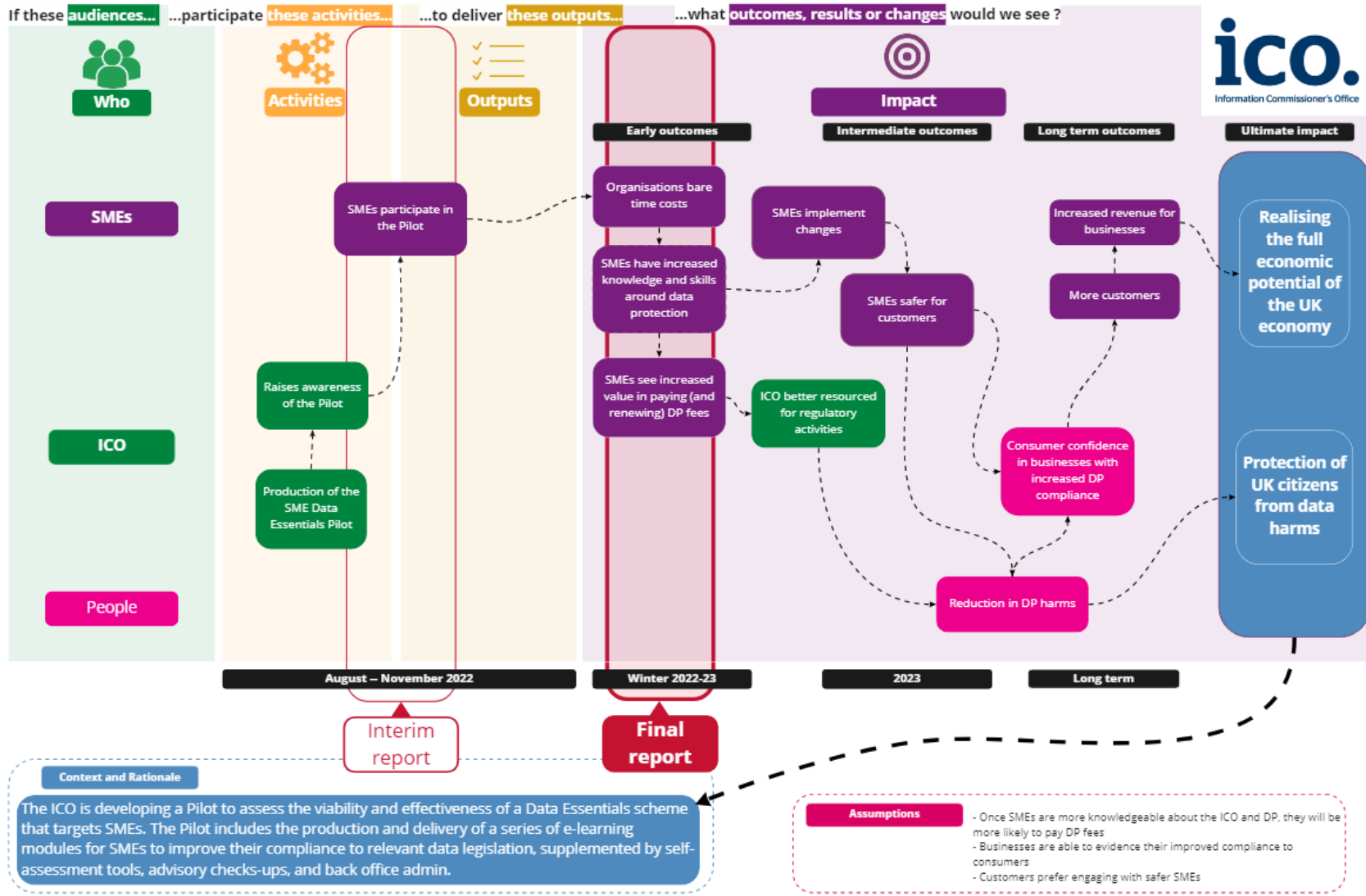
The first step in designing and planning an intervention is developing a Theory of Change (ToC). A ToC explains how the activities undertaken by an intervention (such as a project, programme or policy) contribute to a chain of results that lead to the intended or observed impacts. A ToC helps to:

- provide a structure for analysis and reporting;
- develop evaluation questions and indicators for monitoring; and
- ensure common understanding.

A ToC has been developed for the SME Data Essentials Pilot by the ICO's Economic Analysis team, based on input from the delivery team, shown in Figure 1. The figure also shows the timing of the interim and final reports in relation to the timings underlying the ToC. Impact, linked to the rationale for the Pilot, is often the most difficult to measure since it will occur over a longer period of time and be influenced by other factors.

Given the timing of this final report, impact evidence is restricted to shorter-term impacts. A longitudinal approach to evaluation is required to capture complete impact evidence.

**Figure 1: SME Data Essentials Pilot – Theory of Change**



Source: ICO Economic Analysis Team.



## 2.2. Evaluation questions

The evaluation questions that we have used are outlined below. These are not an exhaustive list of questions to be answered but provide a useful guide.

**Table 1: Evaluation questions**

Process - What can be learned from how the Pilot was delivered?	Impact – What difference has the Pilot made?
<ul style="list-style-type: none"> <li>• What worked well, or less well, for whom and why? What could be improved?</li> <li>• What can be learned from the delivery methods used?</li> <li>• Were there enough resources for the Pilot?</li> <li>• Were there any unexpected or unintended issues in the delivery?</li> <li>• Was the changed approach delivered as intended internally and externally?</li> </ul>	<ul style="list-style-type: none"> <li>• Did the Pilot achieve the expected outcomes/impact? To what extent?</li> <li>• What would have happened anyway?</li> <li>• To what extent can the impact be attributed to the Pilot?</li> <li>• How has the context and external factors influenced outcomes?</li> <li>• To what extent have different groups been impacted in different ways, how and why?</li> <li>• What generalisable lessons have we learned about impact?</li> </ul>

Source: ICO’s Economic Analysis team.

## 2.3. Evidence sources

Table 2 sets out the evidence sources that form part of the SME Data Essentials Pilot evaluation framework. This final evaluation output also incorporates findings from the interim evaluation.

**Table 2: Evidence sources used in the evaluation**

Source	Detail	Timing of collection	Individuals or organisations involved
Pilot participants (SMEs)	Data from recruitment and registration processes	August - November 2022	77
	Module feedback surveys <sup>1</sup>	9 September – 16 December <sup>2</sup> 2022	52
	Final feedback survey	7 November – 16 December 2022	52
	Focus group	November 2022	5

<sup>1</sup> These were administered on completion of modules 2, 4, 8 and 11. In these feedback surveys participants were asked to reflect on their experiences of the modules just taken. More information can be found in Annex B.

<sup>2</sup> Surveys were sent to respondents by 30<sup>th</sup> November based on their module completion rate at that time.

	1:1 Interviews	January 2023	5
	Advisory Checks	November 2022	6
	Telephone calls to non-participants	December 2022	35
ICO	Internal interviews with ICO staff	November – December 2022	16
	Pilot documentation (eg Pilot brief, evaluation overview, project management)	September 2022 – January 2023	N/A
External platform provider	Analysis of data provided by the learning management system (LMS): accounts created, completion rates, etc	5 September – 30 November 2022	52
	Interview with external platform provider staff	November 2022	2

Source: ICO’s Economic Analysis team.

Table 3 below shows the response rate for each of the SME surveys. The Project delivery team worked alongside Economic Analysis to drive up the response rate to improve the robustness of the evidence.

**Table 3: Surveys response rates**

Survey	No. responses	No. of eligible respondents (based on module completion)	Response rate
Modules 1-2 feedback	22	31	71%
Modules 3-4 feedback	11	22	50%
Modules 5-8 feedback	8	18	44%
Modules 9-11 feedback	12	13	92%
Final feedback	27	52	52%

Source: ICO’s Economic Analysis team.

The annexes of this report (set out in a separate accompanying document) provide a range of enhanced evidence analysis on the Pilot population, sampling, and detailed survey responses:

- Data from recruitment and registration is analysed and discussed in detail in Annex A. The analysis is combined with publicly available evidence to provide additional context.
- The module feedback surveys are analysed and discussed in detail in Annex B. A cohort of six participants filled in all the surveys, and their answers are used to corroborate the findings from all responses (this is explained in more detail in the annex).
- The final feedback survey is analysed and discussed in Annex C. Tailored versions of the survey were sent out to Pilot participants that completed none, some or all of the modules.

A number of SMEs who had expressed interest in participating in the Pilot and were subsequently shortlisted, either did not create an account, or created an account and did not complete any modules. This was despite follow-up engagement to encourage progression. Evidence on what motivated these non-participating SMEs to express their interest, and what then stopped them participating, is analysed and discussed in Annex D.

## 2.4. Overview of approach

The approach is outlined and reviewed briefly below.

**Approach:** the approach to the evaluation follows HM Treasury's Magenta Book guidance as is the standard in public policy making.

**Theory of Change:** the ToC is justified and adequately describes the Pilot's route to impact.

**Evaluation questions:** the evaluation questions align with Magenta Book standards and are achievable within the scope of the evaluation.

**Evidence sources:** the sources of evidence listed are proportionate to the timings and scale of the Pilot and provide a robust evidence base for addressing the evaluation questions.

## 3. Pilot design and implementation

This section provides an overview of the design and implementation of the Pilot and offers some reflections on how this has gone.

### 3.1. Context

The context in which the Pilot has been developed is an important factor in its design and implementation. The most relevant considerations are the policy and socioeconomic contexts.

#### 3.1.1. Policy context

##### **UK Government policy**

The ICO regulates data protection in the UK. The ICO's remit with respect to data protection is set out in the Data Protection Act 2018<sup>3</sup> (DPA 2018), the Privacy and Electronic Communications Regulations 2003<sup>4</sup> (PECR), and the UK General Data Protection Regulation<sup>5</sup> (UK GDPR).

The ICO also has responsibilities set out in other more general legislation such as the Deregulation Act 2015 which includes a statutory duty to have regard for the desirability of promoting economic growth.<sup>6</sup> The Regulators' Code also obliges regulators to consider how economic growth might be supported or enabled for compliant businesses and other regulated entities.<sup>7</sup> It is anticipated that these existing obligations will be expanded as part of the recent Data Reform<sup>8</sup> proposals and the resulting Data Protection and Digital Information Bill.<sup>9</sup>

These commitments to duly consider and support SMEs alongside a responsibility for regulating data protection provide a positive context for the Pilot.

##### **ICO policy**

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<sup>3</sup> [Data Protection Act 2018 \(legislation.gov.uk\)](https://legislation.gov.uk)

<sup>4</sup> [The Privacy and Electronic Communications \(EC Directive\) Regulations 2003 \(legislation.gov.uk\)](https://legislation.gov.uk)

<sup>5</sup> [United Kingdom General Data Protection Regulation \(legislation.gov.uk\)](https://legislation.gov.uk)

<sup>6</sup> [Deregulation Act 2015 \(legislation.gov.uk\)](https://legislation.gov.uk)

<sup>7</sup> BEIS (2014) [Regulators' Code](#)

<sup>8</sup> [DCMS, \(2022\), Data: a new direction](#)

<sup>9</sup> [Data Protection and Digital Information Bill - Parliamentary Bills - UK Parliament](#)

The work on the Programme, Project, and Pilot were initiated under the previous Information Commissioner in 2021, when there was a different organisational strategy in place (The Information Rights Strategic Plan 2017-2021<sup>10</sup>). The current Information Commissioner has recently launched a new strategy for the ICO (ICO25<sup>11</sup>). Under both strategies there are commitments to providing support and guidance to organisations. Alignment with current ICO strategic goals is covered in more detail under Section 3.2.

### **Small and medium-sized enterprise (SMEs) eligibility**

There are two policies relevant to the criteria for defining an SME for the Project. One is UK GDPR, and the other is the definitions used for calculating the tiers for the data protection (DP) fee. There are some considerable differences between them, particularly around organisation definition and size thresholds, which are set out in the table below.

**Table 4: Differences between UK GDPR and the DP fee tier definitions of micro, small and medium**

	<b>UK GDPR</b>	<b>DP fee tiers</b>
Legislation it is drawn from	Article 2 of the Annex to Commission Recommendation 2003/361/EC. <sup>12</sup>	Data Protection (Charges and Information) Regulations 2018 (DPCIR 2018). <sup>13</sup>
Organisations in scope	Enterprises: an entity, regardless of its legal form, which engages in economic activity	Data controllers: a person who, alone or jointly with others, determines the purposes and means of the processing of personal data.
Threshold for members of staff	0 to 249 members of staff	0 to 250 members of staff
Sub-category thresholds	Micro: 0 to 9 members of staff Small and medium: 10 to 249 members of staff	Micro: 0 to 10 members of staff Small and medium: 11 to 250 members of staff

Source: ICO's Economic Analysis team.

<sup>10</sup> ICO (2018) [Information rights strategic plan 2017 to 2021](#)

<sup>11</sup> ICO (2022) [ICO25 strategic plan](#)

<sup>12</sup> [Article 2 of the Annex to Commission Recommendation 2003/361/EC](#)

<sup>13</sup> [The Data Protection \(Charges and Information\) Regulations 2018 \(legislation.gov.uk\)](#)

These differences could cause complications or confusion, some of which are discussed further in Section 4.2. Policy relating to SMEs, and in particular the definitions associated with SMEs, have not impacted the context for the Pilot. However, these need to be borne in mind and should be clarified for future iterations of the SME DE Project and wider programme.

It should be noted that the UK government recently announced that it will be applying a threshold of less than 500 employees when defining SMEs for future and reviewed regulations, except where an exemption is warranted.<sup>14</sup> This does not currently apply to DPCIR, UK GDPR and by association DPA 2018, but could impact on upcoming data protection reform plans.

SMEs are often the target of support, advice, and guidance from public bodies<sup>15</sup>, given they have a prominent role in the UK business base. They also face more challenges related to resourcing, including time pressures, staff capacity, and financing. For these reasons, it can be difficult to encourage SMEs to engage with support services. Beyond capacity and resourcing, SMEs also report barriers around:<sup>16</sup>

- access and awareness to suitable information and advice (and whether it is appropriate);
- doubts about the value and benefits of obtaining information and advice versus the costs (time and financial costs); and
- uncertainty about the motivations and incentives of the organisations providing support (mistrust).

Barriers of this nature were also observed during the Pilot, though to a limited extent. Strategies to alleviate such challenges should be given consideration for future wider rollout of SME DE.

### **3.1.2. Socioeconomic context**

There are estimated to be around 5.6 million organisations across the UK (including business, non-profits and public bodies of all sizes). The vast

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<sup>14</sup> UK Government (2022) [Red tape cut for thousands of growing businesses](#)

<sup>15</sup> The ICO provide SMEs with tailored support via the SME web hub ([SME web hub – advice for all small organisations | ICO](#)) which contains templates, checklists, FAQs, and guides, with examples aimed at small and medium-sized businesses. The ICO have also delivered tailored webinars to trade bodies and membership organisations, providing sector specific support.

<sup>16</sup> BEIS (2011) [Research to understand the barriers to take up and use of business support](#)

majority (99.9%) of these organisations have fewer than 250 employees. The breakdown of these by organisation type is provided below.<sup>17</sup>

**Table 5: Breakdown of small and medium-sized organisations by type (2022)**

	Number of organisations	% of total
Businesses	5.5 million	98.3%
Non-profits	86,645	1.5%
Public bodies	10,640	0.2%
Total	5.6 million	100%

Source: BEIS (2022)<sup>18</sup>

The number of SME businesses has fallen over the last two years from 5.97 million in 2020 to 5.50 million in 2022 (a fall of 8%). Given the small number of participants in the Pilot, this has not impacted significantly on its context. However if economic conditions were to worsen, it would be a factor in the future rollout of SME-related interventions.

## 3.2. Rationale

An important element of any evaluation is to test the Pilot’s rationale. This tests whether its objectives align well with wider policy aims and the issue the Pilot was aiming to solve.

### 3.2.1. Programme, Project and Pilot objectives

Unlike their larger counterparts, SMEs do not typically have in-house expertise to help them maximise their use of people’s personal data in a responsible way. The ICO’s programme of work to provide digital solutions for SMEs, which includes the Pilot and wider Project, was created to address this gap and help SMEs improve their compliance with relevant data protection legislation.

The Programme also intends to demonstrate to SMEs the value that the ICO can provide, and therefore, the value of registering with the ICO and paying the data protection (DP) fee. One of the common questions newly registered SMEs ask the ICO is, aside from meeting their legal obligations to register, what else do they ‘get’ for the fee. The Programme was

<sup>17</sup> BEIS (2022) [Business population estimates 2022](#)

<sup>18</sup> Ibid

developed in part to supplement the existing online resources the ICO has already produced specifically for SMEs and help answer that question.

Within the Programme, the Pilot had the following objectives :

- Test the viability and effectiveness of four main components: modules, self-assessment tools, advisory check-ups, and back-office admin.
- Investigate the appetite of SMEs to:
  - sign up to a Data Protection Pledge; and
  - showcase their commitment to the UK GDPR via an SME Data Essentials badge and/or register.
- Produce and deliver a series of e-learning modules for SMEs to improve their compliance to relevant data legislation.
- Demonstrate to SMEs the value the ICO can add and, therefore, the value of paying and renewing the data protection (DP)fee.
- Inform:
  - the development of ideas for other phases of the Project; and
  - the wider Programme on the best long-term solutions for supporting SMEs to improve their compliance to relevant data legislation.

In relation to the second objective, the Pilot aimed to aid SMEs in improving their compliance with relevant data legislation. Although the Pilot itself will not provide recognition, such as badging, it is expected any upscaling of the Pilot would explore the option of delivering some form of recognition.

### **3.2.2. Alignment with ICO strategic goals**

As already highlighted, the ICO's strategic plan 'ICO25' was launched in the latter part of 2022. The four enduring objectives of ICO25 are to:

1. safeguard and empower people;
2. empower responsible innovation and sustainable economic growth;
3. promote openness, transparency and accountability; and
4. continuously develop the ICO's culture, capability and capacity.



SME DE has been identified as an ICO25 priority action, and as such, there is specific alignment between ICO25 and the SME DE Project. Internal consultees confirm that the Project's inclusion in the action plan was motivated by its strong alignment with the vision for ICO25 and, in particular, its contribution to the second objective linked to economic growth.

Given the Pilot aims to increase SMEs' understanding and confidence in all key data protection principles, it also naturally aligns with objectives one and three. By developing and experimenting with a new tool and method for upskilling SMEs, we would hope it also develops the culture, capability and capacity of the ICO. This was echoed in internal interviews where delivery team members highlighted the importance of the Pilot as a demonstrator for the ICO, experimenting and innovating with new ways of supporting organisations.

One of the priorities of ICO25 is to bring down the burden or cost of compliance for businesses. By providing a free learning tool to SMEs, the Pilot also hopes to cut the costs of training and upskilling.

### **3.2.3. Demand**

In the context of the rationale for the Pilot and the wider Project, it is important to consider the evidence of demand for this type of product from SMEs. Internal consultees were confident of the demand for the Pilot and stated that it was a direct result of requests from SMEs for this type of product when engaging with the ICO. This comes from a mixture of direct contact with SMEs (eg through the helpline or other services), experience of similar products (such as the ICO's checklist for small business owners and sole traders<sup>19</sup>), and the market research outlined below.

Harris Interactive conducted research on the ICO's behalf in March-April 2021 (Understanding the ICO's relationships with SMEs<sup>20</sup>) and found:

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<sup>19</sup>[How well do you comply with data protection law: an assessment for small business owners and sole traders | ICO](#)

<sup>20</sup> This research was based on 208 10-minute online interviews and six 45-minute in-depth discussions with a sample of participants who were business leaders (not a Data Protection Officer), did not pay the data protection (DP) fee and were not exempt from it.

- 63% of SMEs<sup>21</sup> have a lot, or some, desire to get data protection right within their business;
- 46% of SMEs would be somewhat, quite, or very interested in having certification, confirming they take data protection responsibilities seriously, to communicate to customers.

The vast majority of respondents to our final feedback survey did not already buy in any external training, with some opting to develop training materials in-house. Three respondents listed specific training providers they had used, and the costs associated with them which ranged from £20 to £1,500. Over 90% of respondents said they would recommend the Pilot or a similar course to others.

This suggests that there are options available, but that SMEs tend not to access them of their own accord, despite finding them useful when they do. It is not clear why this is (for example, it could be that SMEs don't trust the existing providers, can't afford the cost, or a combination of both), but adds to the case for piloting a free course from the ICO.

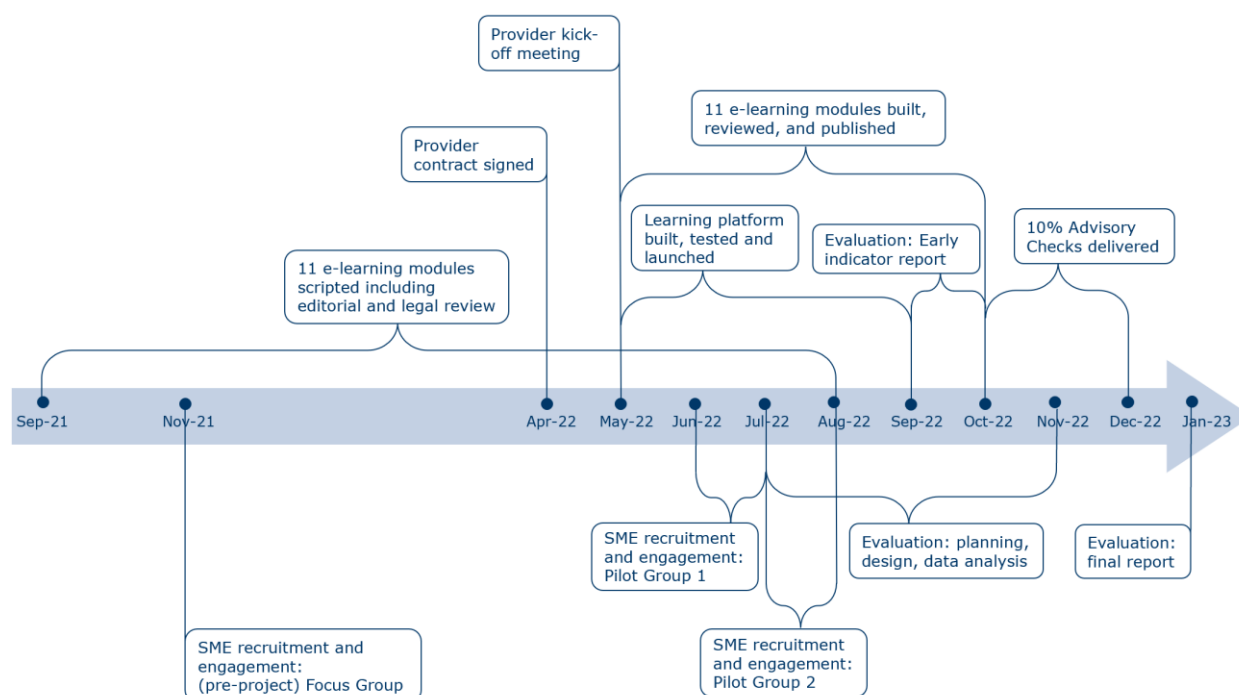
### 3.3. Timescales

The original Pilot timetable was August 2021 to June 2022. A Cabinet Office decision on spend controls delayed procurement of the technical solution, as did protracted cost negotiations with the provider. A revised timetable was published in May 2022, and is shown below in Figure 2.

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<sup>21</sup> This research defined the SME population as those organisations with fewer than 250 employees that do not have a Data Protection Officer (DPO). Charities were included.

**Figure 2: Pilot timeline**



Source: ICO’s Economic Analysis team.

Since the timeline was revised in May 2022, the Pilot has predominantly gone to plan with delays limited to a total of 32 working days across three areas. Table 6 below outlines these delays to the Pilot.

**Table 6: Overview of delays to the Pilot timeline since May 2022**

Project Stage	Period	Description of Delay
Learning platform development, testing and launch	May to Sep 2022	+ 15 working days Delays due to needing to resolve issues in relation to usability, and compliance with accessibility, data protection and cookies requirements. Resource intensive.
E-learning module build, review, and publication	May to Oct 2022	+ 12 working days Delays due to new guidance and resourcing for the final batch of modules (modules 9–11). Resource intensive.
Evaluation: planning, design, data analysis	Sep to Oct 2022	+ 5 working days Extension requested to maximise evidence base and survey responses in particular.

Source: ICO’s Economic Analysis team.

### 3.4. Pilot design

The Pilot consisted of 11 online learning modules, developed following an agile, iterative approach, which included testing to assess viability and effectiveness.

- The concept was tested with a small focus group in November 2021.
- There was an initial test of the first and second modules, the pre-Pilot, which ran from 8 to 28 July 2022.

Figure 2 above provides more detail on the timeline.

As stated in the Project brief, the Pilot targeted SMEs (defined as small and medium-sized organisations with fewer than 250 employees). This included businesses, sole traders, charities, groups and clubs, schools, GP practices and start-ups. In order to be eligible to participate, the organisation must:

- have fewer than 250 members of staff;
- be on the ICO's public register of data protection (DP) fee payers or satisfy an exemption criteria;
- not employ a Data Protection Officer;
- not be a data protection consultant or similar;
- not be a data-centric business eg a data broker;
- not use systematic and extensive profiling with significant effects;
- not process special category or criminal offence data on a large scale; and
- not systematically monitor publicly accessible places on a large scale.

The Pilot was designed to have four activity streams:

1. E-learning modules: To support SMEs in the correct application of UK GDPR in their business practices. Elements of the Data Protection Act 2018 (DPA) and Privacy and Electronic Communication Regulations (PECR) also featured.
2. Self-assessment tools (within e-learning modules): To identify and address gaps in compliance.

3. Advisory check-ups: To provide confidence in the self-assessment tools and process. These were an adaptive version of the existing ICO advisory check-ups, and were conducted on a sample of participants.
4. Back-office administration: eg users, content, analytics, and management information.

Table 7 shows the schedule followed for the Pilot, including when participants were prompted for feedback via the module feedback surveys.

**Table 7: Pilot schedule**

Element	Topic	Feedback?
Module 1	What is personal data	-
Module 2	Using personal data lawfully	Yes
Module 3	Considerations when using personal data	-
Module 4	Data management	Yes
Module 5	Individual rights	-
Module 6	Exemptions	-
Module 7	Security	-
Module 8	Personal data breaches	Yes
Module 9	International transfers	-
Module 10	Marketing	-
Module 11	Training	Yes

Source: ICO's Economic Analysis team.

As well as the module feedback surveys, baseline information about the participants was collected at sign-up, and feedback on the overall experience was gathered via the final evaluation survey.

Overall, the Pilot's design appears appropriate. HM Treasury's Magenta Book notes the usefulness of pilots in testing the design and implementation of an initiative to help ensure it can realise its intended benefits.<sup>22</sup>

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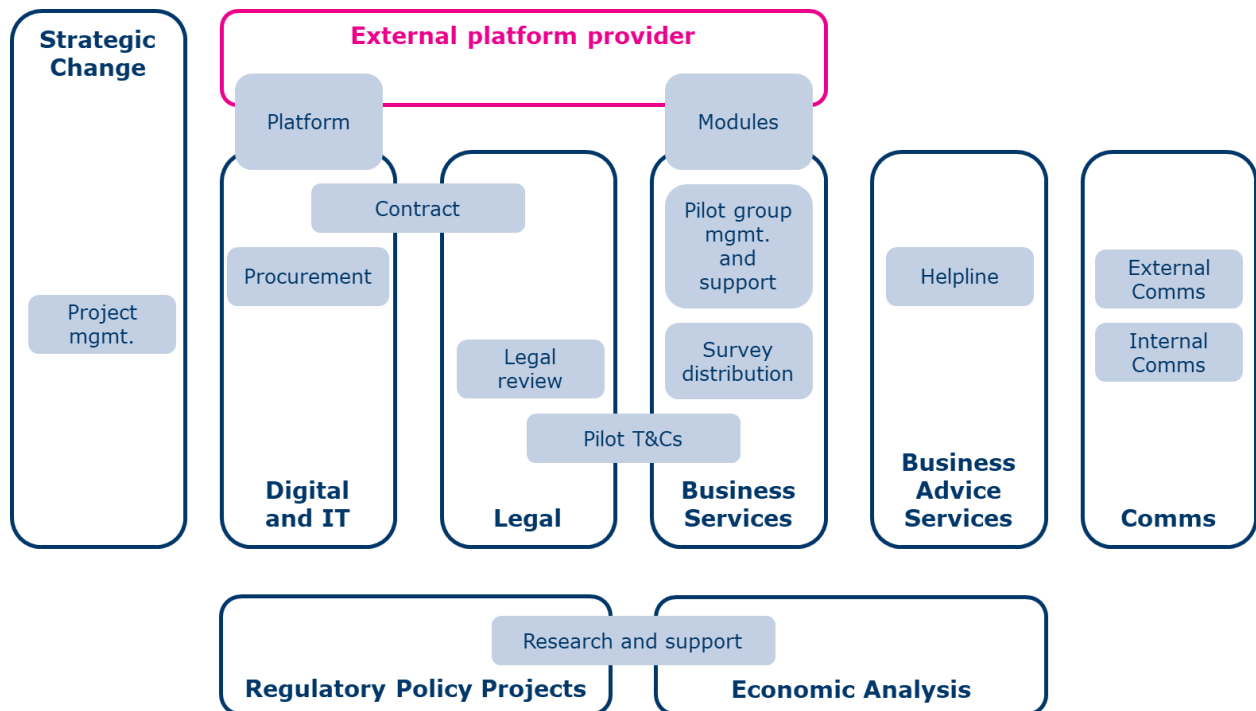
<sup>22</sup> HM Treasury (2020) Magenta Book, page 9

## 3.5. Pilot implementation

### 3.5.1. Internal resources

The Pilot involved collaboration across different teams within the ICO, as well as an external technology partner. A diagram of the teams involved is set out in Figure 3.

**Figure 3: Diagram of teams involved**



Source: ICO's Economic Analysis team.

Discussions with delivery team members suggest that staffing levels were generally appropriate, with the exception of helpline staff. Two staff members were assigned to answer calls from Pilot participants but call volumes were significantly lower than expected. This may be reflective of the general approval of the materials from SMEs, as discussed later in Section 3.5.3. The Pilot team reacted to this by reducing the requirement as appropriate.

Staff resources were not formally monitored for the Pilot, which limits analysis of resourcing and insights on value for money. Interviews with internal team members suggest that although there were pinch points, the resourcing was generally appropriate, particularly given this was a Pilot. In addition, Table 8 summarises commentary on resources obtained from conversations between the delivery team and the other teams involved in the Pilot.

**Table 8: Commentary on resourcing**

<b>Team</b>	<b>Commentary on Resourcing</b>
Business Services	For the Pilot period, this was anticipated to be up to 5 FTE. However, this has been reduced to approximately 1.5 FTE (including advisory check work).
Legal	150 hours spent on the Pilot
Project Management	1 FTE full time on the Pilot since May 22
Comms	From May 22 to Nov 22, approximately 30 days
Digital & IT	Protracted contract negotiation phase with the external platform provider totalled approximately 15 working days, although this took place over several months

Source: Pilot monitoring data and discussions with delivery team members.

The budget for the Pilot was £100,000 to be spent in the financial year 2022/23. This was for expenditure on external suppliers and not internal staff time or resourcing. Feedback from the delivery team suggests that expenditure was largely on target. Expenditure for the Pilot totalled at £90,060, leaving an underspend of £9,940. Given total expenditure (including internal resources) was not tracked, it is not possible to attempt to measure value for money for the Pilot in line with Magenta Book standards. This should be revisited for future phases of the Project.

### **3.5.2. Procurement**

The design and implementation of the platform was outsourced to an external provider. The external platform provider was instructed to develop the modules in a way that was transferrable if an alternative provider was selected for future phases of the Project. Feedback from those involved in the contracting noted managing the relationship with the external provider was more resource intensive than anticipated.

The delivery team noted that although the final Pilot outputs were acceptable, this required a much higher level of ICO resource than had been expected. Issues experienced during the development and implementation of the platform included:

- processes for quality assuring outputs required more significant input from the Pilot delivery team than anticipated;
- inadequate processes in place for communication of feedback;
- challenges ensuring the platform and modules compliance with data protection legislation, accessibility standards, and the rules on cookies;

- more resource input than anticipated needed to support the external supplier when drafting legislative content and on their use of the scripts supplied to them;
- a difficult transition from the team developing the platform to the supplier's business-as-usual team;
- training to ICO administrators could be improved; and
- difficulties accessing data from the platform for monitoring and evaluation purposes.

Considering licensing and terms, feedback from internal interviews suggests that the licensing model, although appropriate for the Pilot, would not be appropriate for a wider rollout.

- The licensing arrangements currently in place impose a per user cost and are typically used where the total number of potential users is known (eg platforms for internal staff training or membership organisations).
- Given wider rollout could involve a platform that is openly available to all SMEs across the UK, this model is unlikely to be appropriate, particularly as the scale of engagement is uncertain.

This would be a key consideration in any future procurement activity.

Internally, the procurement process drew heavily on specific delivery team members. This allowed a good degree of control over the terms and process for the Pilot. However, any future phases of the Project should consider assigning additional resource from the ICO's procurement and commercial legal teams.

### **3.5.3. Content creation and review**

The content was scripted by the Business Services team, and the scripts were reviewed by ICO policy colleagues and the ICO legal team. The external provider would then use the scripts to create the modules, which were sent to Business Services for testing. The modules went through rounds of testing and comments from ICO teams, and editing from the external provider, before being finalised and published on the platform. As mentioned above, internal interviews revealed that the platform provider sometimes produced digital products that did not meet the ICO team's expectations, requiring further comments and lengthening the review and testing process.

Development overlapped across modules that were at different stages. Internal consultees fed back that this required a lot of coordination and



drew heavily on time and resources for the teams involved at certain pinch points. There was also little flexibility for unforeseen pressures such as staff absence. This was seen as a risk during internal interviews.

Survey<sup>23</sup> respondents found the content to be informative for all modules. The vast majority of content was relevant to all, with the exception of modules 9-11 which felt less relevant to some respondents. This is at least partially explained by the topics of these modules (marketing, international transfers, and training), which are not necessarily applicable to all participants. Interviewed participants noted that, even when less relevant, the content was still interesting and informative.

For the earlier modules, some survey respondents struggled with content and language, which they did not always find easy to understand. This finding was confirmed by focus group participants, who suggested making the earlier modules easier to follow, to ease participants in more gently. The evidence shows the content and language improved as the modules progressed. This is to be credited to the ICO delivery team, who acted on the early feedback and enhanced the Pilot content.

Survey respondents often cited how helpful examples were in illustrating how rules apply, and in making the content easier to digest. As highlighted in the interim report, many respondents found examples to be one of the most useful elements of the modules.

An interviewed SME pointed out how the language around data protection could be jargon and acronym heavy, and at times this happened in the modules. They suggested adding a reminder of key words and acronyms that can be accessed at any point, for example as a pop-up.

One of the interviewed SMEs discussed their experience of module 9, on the topic of international transfers. They felt this mainly focused on engagement with overseas SMEs but lacked sufficient detail on using cloud services that may store data outside of the UK. They emphasised how onerous it can be for an SME to understand the data protection implications of using cloud service providers. Future phases of the Project could expand on this topic, ensuring participants are equipped with the knowledge they need and are confident in their data practices.

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<sup>23</sup> For a more complete analysis of module feedback survey responses, see Annex B.

### 3.5.4. Platform functionality

The analysis of feedback surveys indicates that not all respondents found navigating through modules easy. Multiple interviewed SMEs discussed how it could be difficult to find the parts of the module that had not been completed, and suggested the platform should highlight these in greater detail to enhance user experience.

In the feedback surveys, focus groups and SME interviews, some participants said that the moving overlay of background and graphics could cause confusion. Especially where the background included an arrow and the text referred to an arrow to be clicked on, but these arrows were not the same.

When considering available future options for the platform, it should be noted there will likely be participants who are not as digitally able, or aware, as many of the Pilot participants. Future phases will need to ensure that the modules are accessible, and routes to get help when encountering issues are obvious and straightforward. This could include enhanced user testing on modules prior to roll out, involving people with a range of digital skills, to ensure frustrations have been addressed.

Table 9 shows the feedback survey respondents reporting having issues with each batch of modules, with modules 1-2 and 9-11 creating the most issues.

**Table 9: Module feedback survey respondents reporting issues**

Survey	No. of respondents who had issues	Total no. of respondents	% of respondents who had issues
Modules 1-2 feedback	8	22	36%
Modules 3-4 feedback	2	11	18%
Modules 5-8 feedback	2	8	25%
Modules 9-11 feedback	6	12	50%

Source: Module feedback surveys.

Internal interviews highlighted two further platform-related areas for reflection in future phases of the Project.

- The first is accessibility. The platform is, currently, not as accessible as it could be. The Pilot in its current form has an accessibility statement highlighting the areas where it does not meet the AA

accessibility standards<sup>24</sup>. Future iterations of the Pilot should, where possible, endeavour to iron out some of the areas highlighted in the statement.

- A second area for reflection is obligations around any Data Protection Impact Assessments (DPIAs) and ensuring this is fully resourced. Resources should be allocated early in phase 2 of the Project, to assess compliance and risk to data subjects, including carrying out any DPIAs.

### **3.5.5. Support to participants**

In September 2022, the SME Data Essentials helpline was incorporated into the Business Advice Services (BAS) helpline as business as usual.

- Call volumes were significantly lower than expected: BAS received only two calls, both around the beginning of their involvement (22 and 27 September 2022).
- The training provided to staff was deemed appropriate. However, not having used any of their knowledge since September 2022, by the end of the Pilot BAS staff felt considerably less confident in their role. This means any future phases of the Project are likely to require re-training.

For future phases of the Pilot, the number of enquiries is likely to grow, especially if the Project engages SMEs with lower levels of data protection awareness and prior knowledge. For future iterations of SME DE, further consideration and testing will be needed of how the process would work with a scaled-up version of the Pilot.

Table 10 shows that 28 query tickets related to the Pilot were opened with the external platform provider between 5 September and 30 November 2022.

- The most common issues were participants reporting that they were unable to progress to the next module or page after completing an element, and password resets.
- The external provider's records show that all 28 tickets were closed in under 24 hours, with half of them being closed in under an hour.

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<sup>24</sup> The World Wide Web Consortium (W3C) sets international requirements for website accessibility. There are three levels that websites can aim for, from lowest to highest: A, AA, and AAA. Each level has a specific set of standards that must be reached to pass the rating. AA is viewed as the acceptable level of accessibility for many online services, which should work with most assistive technology.

**Table 10: Tickets opened with the external platform provider**

Type of issue	No.	% of total issues
Course completion query	9	32%
Password reset	7	25%
Learning management system configuration	5	18%
Add/Remove Users	3	11%
Builder queries	1	4%
Learning management system	1	4%
Question	1	4%
Reporting	1	4%
<b>Total</b>	<b>28</b>	<b>100%</b>

Source: External platform provider's records.

The Business Services team also conducted six advisory checks, where they selected participants who rated themselves at varying levels of data protection (DP) knowledge in the sign-up form to get a more thorough understanding of how the Pilot was achieving its goals.

- The participants selected found these advisory check-ups to be helpful. One of the interviewed SMEs said the report produced by the Business Services team after the check-up was really useful.
- Internal interviews with the Project team suggested these were particularly useful in checking understanding. However, Pilot timelines meant they were difficult to complete within the allotted time window.
- If advisory checks remain part of any future phases, these should be more easily managed without the artificial deadline created by the Pilot period. However, the sustainability of resourcing in this area should be considered as part of any future scale up.

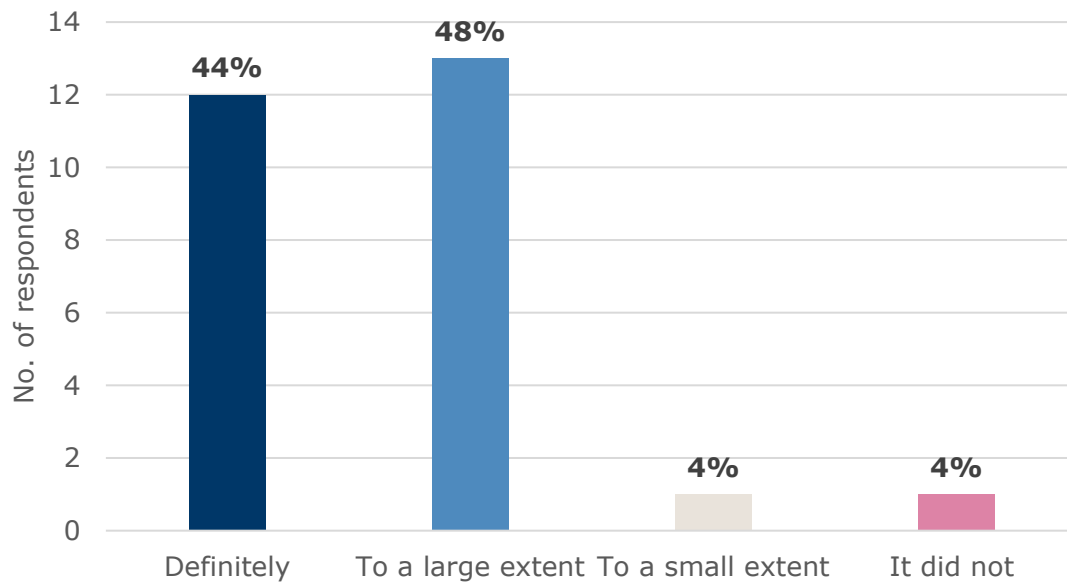
### 3.6. Participants' opinion of the Pilot

As shown in Figure 4, the Pilot met the expectations of the majority of final feedback survey respondents,<sup>25</sup> which is very positive. Overall, respondents were satisfied with the level of detail and the clarity of the content, which met their expectations. Almost all final feedback survey respondents (92%) would recommend this or a similar programme to other SME owners.

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<sup>25</sup> For a more complete analysis of module feedback survey responses, see Annex C.

**Figure 4: Did the Pilot meet the final feedback survey respondents' expectations (N=27)**



Source: Final feedback survey.

As already highlighted (see section 3.5.3), some final feedback survey respondents did not find all topics to be relevant to their business, or appropriately tailored to a small organisation. However, a handful of respondents noted that more of the content was relevant to them than they initially believed. This was, for example, the case for one of the interviewed participants who, before engaging with the module on international transfers, believed that this would not be relevant to them. However, they then realised that they use a software that stores data outside of the UK, so the module was indeed relevant to them.

For this reason, the interviewed participants thought that users should be taking all modules. "There's something in every module that is helpful, so participants should do them all", one interviewee said. "Doing all eleven modules [...] gives a fuller picture", added another one. The Pilot required participants to complete all modules, creating a journey. Our research explored whether this was appropriate.

- Interviewed participants agreed that being able to select modules would depend on the participants' base knowledge, which could become cumbersome to check.
- This was echoed by internal interviewees, where concerns were highlighted about not meeting the objectives of SME DE if the training did not provide enough coverage of data protection issues.

- Furthermore, allowing participants to pick the modules would make issuing a badge, or other forms of recognition of completion, more complicated.

During the evaluation fieldwork, two participants suggested a two-tiered approach. The first level could be more generalist and broad, and be aimed at a public that is less IT-savvy. The second level would provide deeper detail for the SMEs who need it, and potentially be aimed people who are more IT proficient.

One interviewed SME discussed how it would be helpful for participants to be able to go back to the material to refresh their knowledge at a later date. In this scenario, it would be essential that the content stays updated. Modules could include information on when they were created, and when they are due for a review. In a similar vein, a participant also suggested some form of summary of content that users could keep afterwards.

### 3.7. Pilot design & implementation key messages

The key messages on the design and implementation of the Pilot are summarised below.

**Context & rationale:** the evaluation finds that there is a sound rationale for the Pilot and a supportive context. There is evidence of demand for data protection (DP) knowledge and the Pilot aligns well with the ICO's strategic objectives. Future phases should ensure there is clarity around definitions of SME and stay abreast of developments in the policy and socioeconomic conditions for SMEs.

**Timescales:** although there were delays to the original timescales for the Project, these were largely out of the control of the Project delivery team and appropriate measures were taken to ensure this did not affect the success of the Project.

**Pilot design:** the Pilot's design is deemed appropriate to meet its stated objectives. Furthermore, it has remained relevant under the new strategic plan for the ICO (ICO25). Future phases could benefit from revisiting, even if only to bolster, the rationale behind the eligibility criteria and alignment with the new goals.

**Pilot implementation:** the Pilot's implementation has been successful. This is backed up by feedback from participants as well as internal

consultees. The main challenges have been around timing pinch points, procurement, and ways of working with an external supplier.

## 4. Engagement, take-up and progression

This section provides evidence and commentary on engagement, take up, and progression of participants through the Pilot.

### 4.1. Engagement

The Pilot was targeted at 60 SMEs to test viability and effectiveness.

- To reach the target, the ICO delivery team had planned to send out around 20,000 invitation emails using the database of data protection (DP) fee payers (indicating a hit rate of 0.3%) which was based on their experience of previous mailings.
- After sending an initial 2,945 invitation emails, the team received a total of 88 applications, of which 82 were eligible. This is 2.8% of the 2,945 invitation emails that were sent.
- This was a higher level of engagement than the team had anticipated, given the level of commitment that participation required, and as a result they decided it was unnecessary to send further invitation emails.

The engagement from invitation to application exceeding expectations is a positive signal, indicating that SMEs do have an appetite for this type of programme. However, it should be remembered that the SMEs on the data protection (DP) fees database already have some data protection awareness.<sup>26</sup> Engaging SMEs beyond the database will be key in achieving the longer-term feasibility of the Programme.

Shortlisted participants were selected first, based on the eligibility criteria listed in Section 3.4 (Pilot Design), and then manually allocated to the Pilot to ensure a good spread across regions and sectors. These applicants were allocated to a core group of 60 organisations to be invited to create an account in the first instance, and a reserve group of 16 organisations.

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<sup>26</sup> Alternative recruiting routes targeting those beyond the data protection (DP) fee database were considered but assessed as higher risk in terms of testing the Pilot or just not possible (eg financially incentivised participation).



One further organisation was forwarded information about the Pilot,<sup>27</sup> bringing the total of shortlisted SMEs to 77.

The core group of 60 organisations were invited to create an account on 5 September 2022, and in the first few days these invitations led to many participants activating their accounts. When take-up slowed down after that, calls were made to establish the reasons for this. No organisations cited lack of interest, and instead explained delay was due to participants being on holiday, the national mourning period following the death of Her Majesty Queen Elizabeth II, and in some cases workload. In light of this, the team decided to extend the Pilot to the organisations on the reserve list. The reserve list of organisations was contacted on 15 September 2022, leading to more accounts being activated.

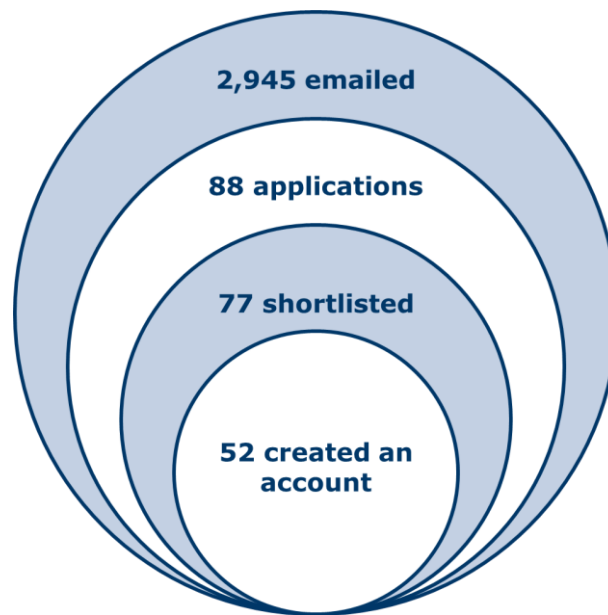
Over the course of the Pilot, 77 organisations were shortlisted and 52 created an account, as illustrated in Figure 5. With 52 organisations having activated their account out of the 77 who were shortlisted, the Data Essentials Pilot had a 67.5% take-up rate.

It should be noted, 52 participants creating an account falls short of the Pilot target of 60. The strong levels of engagement with the Pilot suggest that the target could have been met if another batch of invitation emails had been sent.

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<sup>27</sup> Despite not being directly invited to take part in the Pilot, it is likely that they were forwarded the information about the Pilot from another participant. The team decided to allow this extra applicant access to the Pilot. There is also an account linked to the Federation of Small Businesses (FSB) which is being used for information purposes only. The FSB is excluded from this diagram in particular and the analysis presented in this report in general.

**Figure 5: Pilot engagement**



Source: ICO's Economic Analysis team, please note this diagram is not to scale.

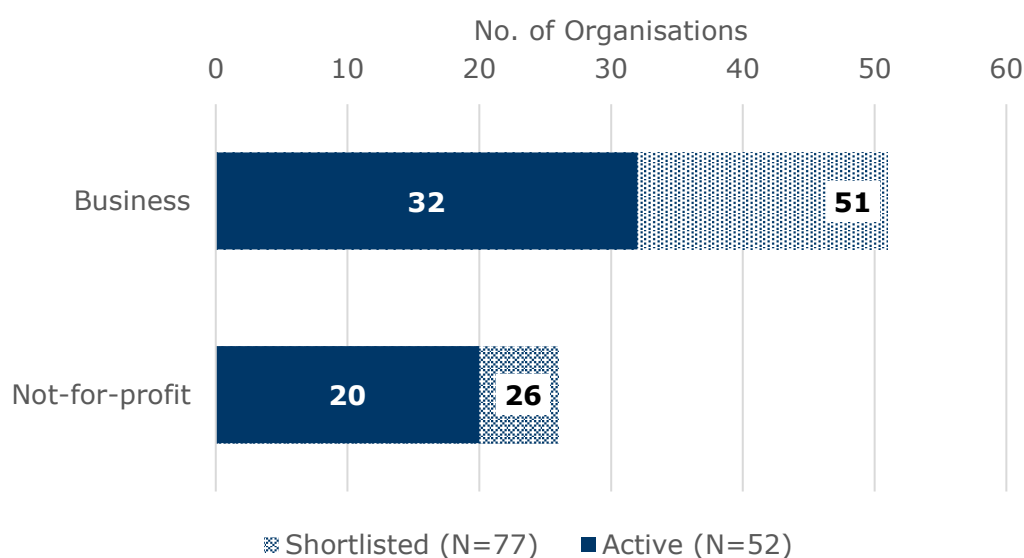
Participant feedback suggested that the ICO could stimulate future demand by collaborating with industry groups, membership organisations, trade bodies, other regulatory bodies, and organisations that support SMEs to promote the SME DE offer. Other suggestions included:

- sharing promotion material with data protection (DP) fee notices and reminders;
- using incentive mechanisms, such as discounted data protection (DP) fees on completion of training or working with insurance companies to make a requirement of cyber insurance;
- targeted advertising on platforms such as LinkedIn; and
- offering some form of recognition as an incentive.

## 4.2. Characteristics of participants

Figure 6 shows the type of organisations that were shortlisted and participated in the Pilot – where business means an organisation producing goods or offering services with the intent to sell them for profit, and not-for-profit organisations include charities and third sector bodies.

**Figure 6: Shortlisted and active participants by type**



Source: Pilot monitoring data and ICO's Economic Analysis team.

The greater representation of not-for-profit organisations was unexpected, given they represent a smaller proportion of organisations on the data protection (DP) fees register (around a third of those with active accounts versus 2.5% of organisations on the register). This is due to two factors:

- As shown in Figure 6, not-for-profit SMEs displayed a strong interest in the Pilot, likely signalling an appetite for this type of programme in the sector.
- Not-for-profit SMEs were overrepresented in the group that invite emails were sent to (6%), as the delivery team were mindful of the ICO's renewed focus on reaching and supporting vulnerable groups within society.

The ICO's definition of SMEs includes any charities and other non-business groups and organisations, as opposed to the policy definition (discussed in section 3.1.1), which qualifies enterprises as those who engage in economic activity and wider UK government SME initiatives which apply only to businesses.<sup>28</sup> This means that while the overrepresentation of not-for-profit SMEs is not explicitly misaligned with the objectives of the Pilot, it does not align with wider public policy initiatives targeting SMEs.<sup>29</sup> Generally, government provides support to

<sup>28</sup> [HM Treasury \(2018\), SME Action Plan](#)

<sup>29</sup> For example, the [Help to Grow: Digital Initiative](#)

SMEs and charities separately.<sup>30</sup> This is largely due to the different purposes of businesses and not-for-profit bodies including charities, which means that their route to impacts on the economy and society are different.<sup>31</sup>

We strongly emphasise that there is a need to support the not-for-profit sector, including charities, and Pilot uptake shows an appetite for this type of content. However, it is worth reflecting if SME DE should be providing different forms of tailored support for different organisation types (eg for profit, not-for-profit), particularly considering differing ICO25 aims (safeguard the most vulnerable, empower responsible innovation and sustainable economic growth). Or, as a minimum, it could have separate targets for each so that impacts can be tracked appropriately.

More detailed analysis of the characteristics of participants is provided in Annex A.

### 4.3. Completion rates

During the Pilot, there were 52 activated accounts, of which:

- 39 participants completed at least one module as of 30 November 2022<sup>32</sup> (75% of all activated accounts); and
- 13 participants did not complete any modules as of 30 November 2022 (25% of all activated accounts).

More detail on this progression can be found in Table 11 below.

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<sup>30</sup> [Give charities same help as small businesses to boost UK productivity, ministers urged | Financial Times \(ft.com\)](#)

<sup>31</sup> [Not-for-profit organisations | ACCA Qualification | Students | ACCA Global](#)

<sup>32</sup> This date was the official end of the Pilot period, though those with active accounts could still access the modules and continue their learning after this period if needed.

**Table 11: Active SMEs completing each module as of 30 November 2022**

Module	No. completed	Completion rate
Module 1	39	75%
Module 2	31	60%
Module 3	26	50%
Module 4	22	42%
Module 5	19	36%
Module 6	18	35%
Module 7	18	35%
Module 8	18	35%
Module 9	16	31%
Module 10	15	29%
Module 11	13	25%

Source: Pilot monitoring data.

Progression through the Pilot modules was strongly linked to the frequency of visiting the ICO website. As participants who visited it more often were more likely to complete more modules, likely indicating more continuous engagement with data protection overall. Future iterations of the SME DE Project will likely involve expansion to a more diverse and potentially less engaged audience, and this could result in the completion rates decreasing. Future rollout options should consider how to keep participants engaged throughout, and include consideration of incentives to complete all modules.

For the final feedback survey respondents who did not complete all the modules, time issues were reported as the most common blocker. Timing challenges were also the most common barrier for the shortlisted SMEs who did not participate.<sup>33</sup>

It is worth noting that final feedback survey respondents who could not complete the Pilot because of lack of time, tended to be relatively smaller by organisation size. Micro and small organisations, by their nature, tend to have less flexibility around resources. So whilst this finding is in line with the context, this lack of flexibility should be, at least in part, accommodated for in future phases. Relevant points of note from our evidence sources include the following:

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<sup>33</sup> These are SMEs who either had been shortlisted but did not activate their account, or had activated their account but did not take any module.

- Interviewed SMEs indicated that they found communications to be relevant, timely, and useful in keeping them engaged. Future communications should continue along these lines.
- It should be considered whether a longer timeframe could give future participants more time to deal with unforeseen time conflicts and the ability to go back to modules, thus improving their chances of progressing further.
- Consider options that would incentivise completion, such as certification or other rewards.

#### 4.4. Engagement, take-up & progression key messages

Our key messages on engagement, take-up and progression are summarised below.

**Engagement:** Interest in the Pilot was much higher than anticipated and higher than that of similar ICO mailings. Future phases will need to consider engagement routes for participants that are not already on the register of data protection (DP) fee payers and set targets proportional to the levels of ICO resources inputted.

**Take up:** The rate at which applicants for the Pilot would actually sign up and activate their accounts was underestimated and resulted in only 52 of the targeted 60 SMEs actually activating their Pilot accounts. Conversations with SMEs that chose not to activate their accounts following shortlisting, indicated that timing challenges were the most common blocker. Future phases should explore how to further incentivise SMEs to sign up once they have expressed interest.

**Characteristics of participants:** SMEs that engaged with the Pilot tended to be larger. Surprisingly, a disproportionate amount of the participants were not-for-profit organisations. Future phases should take into consideration the value in providing different forms of tailored support for different organisation types (eg for profit, not-for-profit including voluntary and charities), particularly in the context of differing ICO25 aims (safeguard the most vulnerable, empower responsible innovation and sustainable economic growth).

**Progression:** Engagement tails off significantly from SMEs activating their account to progression through the modules, with just 25% completing all 11 modules. Frequency of visits to the ICO website was strongly correlated with progression through the modules. This indicates that once rollout extends to those not already engaged with the ICO,

incentives for completion will need to be strengthened. Not-for-profit organisations also tended to progress further than businesses, strengthening the recommendation for considering tailored approaches for the two groups where appropriate.

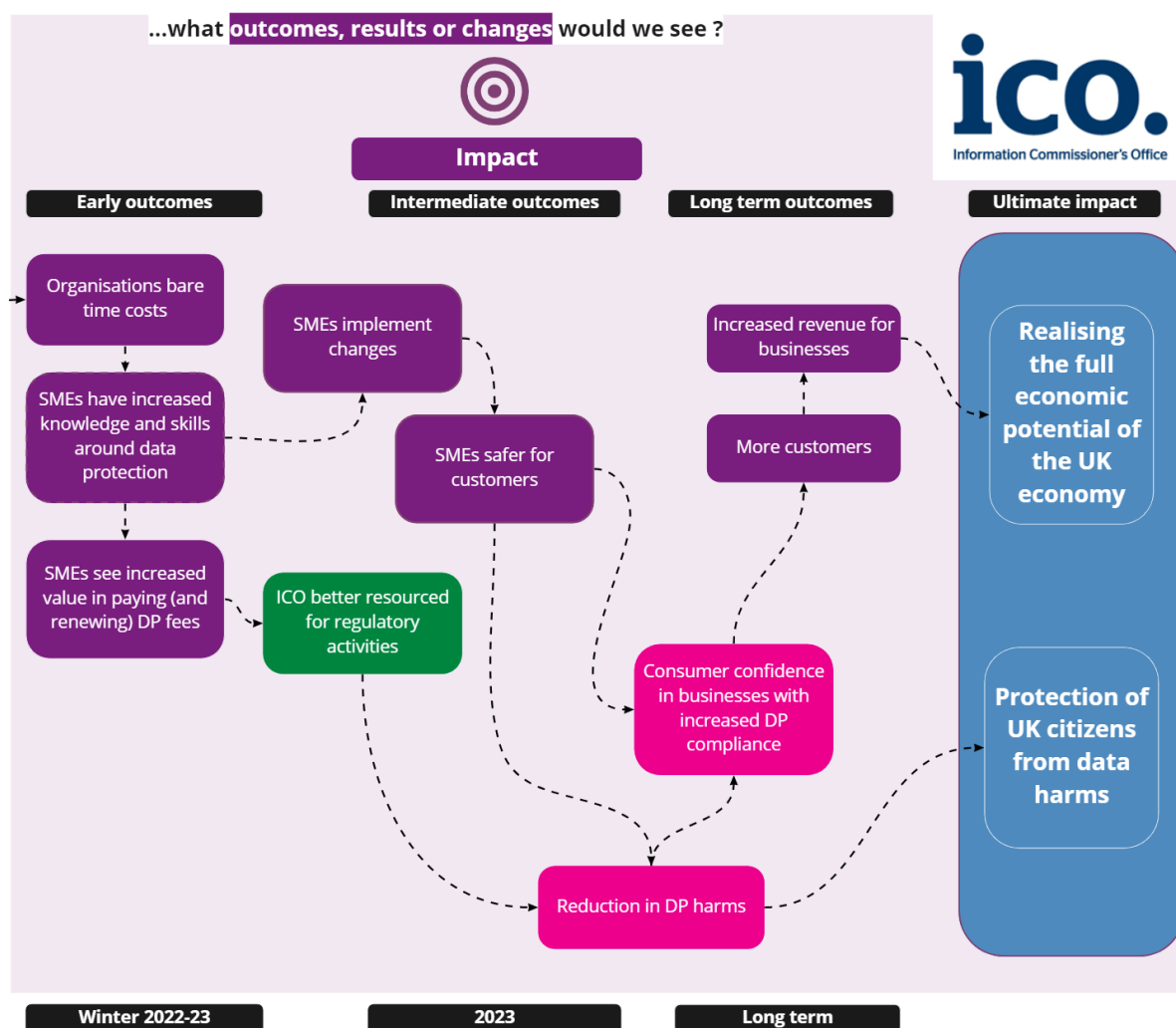
**Communications:** Communications were deemed to be relevant, timely, and useful. A similar approach should be taken in future.

## 5. Outcomes and impacts

This section discusses the early and intermediate outcomes of the Pilot and their impact on participants, the ICO, and wider society. The section draws primarily from the final feedback survey and the five interviews with participants. The in-depth analysis and further discussion can be found in Annex C.

The relevant section of the Theory of Change is presented below in Figure 7. Due to the timing of this evaluation, and as already discussed, it is too early to observe long-term outcomes and impact.

**Figure 7: Theory of Change - impacts**



Source: ICO Economic Analysis team



## 5.1. Benefits

### 5.1.1. Improved confidence and knowledge

The majority (96%) of survey respondents reported feeling more confident dealing with data protection issues since starting the Pilot. This was evident from the module feedback surveys and was confirmed by the final feedback survey. A key finding from the final feedback survey is that the more modules the final respondents completed, the more likely they were to have increased confidence.

Also, a majority (85%) of final feedback survey respondents said their knowledge of data protection had increased since starting the Pilot. A more detailed breakdown can be seen in Table 12. Similarly to confidence, the more modules the respondents had completed, the more likely they were to have increased their knowledge of data protection.

**Table 12: Respondents' knowledge of data protection now compared to before starting the Pilot**

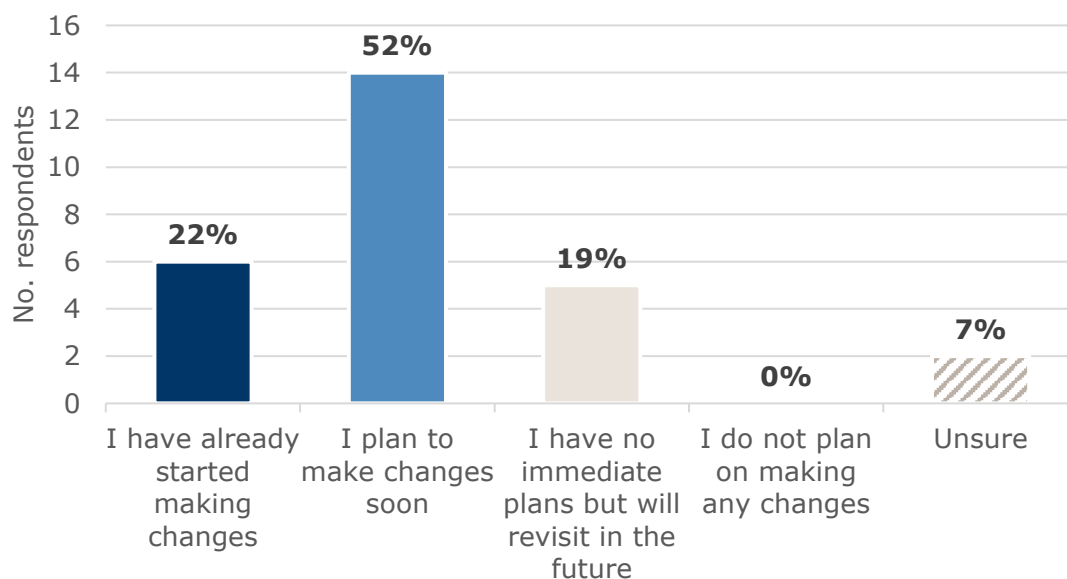
	All respondents	
	No.	% of all respondents
Much higher	4	15%
Higher	19	70%
The same	3	11%
Lower	1	4%
Much lower	0	0%
<b>Total</b>	<b>27</b>	<b>100%</b>

Source: Final feedback survey.

### 5.1.2. Making or planning changes

Overall, 20 of the 27 final feedback survey respondents (77%) said they had made or were planning to make changes after participating in the Pilot, as seen in Figure 8. This shows that the Pilot equipped participants with actionable knowledge. The module feedback surveys indicated that this may not be equal across modules, with modules 3-4 the least likely ones to lead to new or changed processes and procedures.

**Figure 8: Final feedback survey respondents' plans for changes to processes and procedures since starting the Pilot (N=27)**



Source: Final feedback survey.

More informed and, especially, more confident respondents were more likely to have made or planned changes. This is a very positive result, as it shows the Pilot had empowered participants with the necessary knowledge and confidence to enable them to improve their data protection processes, regardless of their size and their sector.

One of the interviewed participants stated that the Pilot had given them enough information to go away and put better processes in place, being confident that what they were doing was correct and knowing exactly how to deal with, for example, a data breach if it happened.

Final feedback survey respondents also indicated they'd be reviewing existing procedures and policies, and making changes where appropriate. Many respondents also indicated they'd be making adjustments or expansions to staff training. More detail on these changes can be found in Annex C.

### **Attribution**

About two thirds of final feedback survey respondents said they were completely, or to a large extent, making changes due to participating in the Pilot.

- It is worth noting that all the participants, we have identified as businesses said their changes were completely or to a large extent due to the Pilot.

- Furthermore, no respondent said that the changes were not due to the Pilot.

This is overall a very positive result, indicating that these changes would not have happened, or would have happened much later, were it not for the Pilot.

### **Route to impact on track**

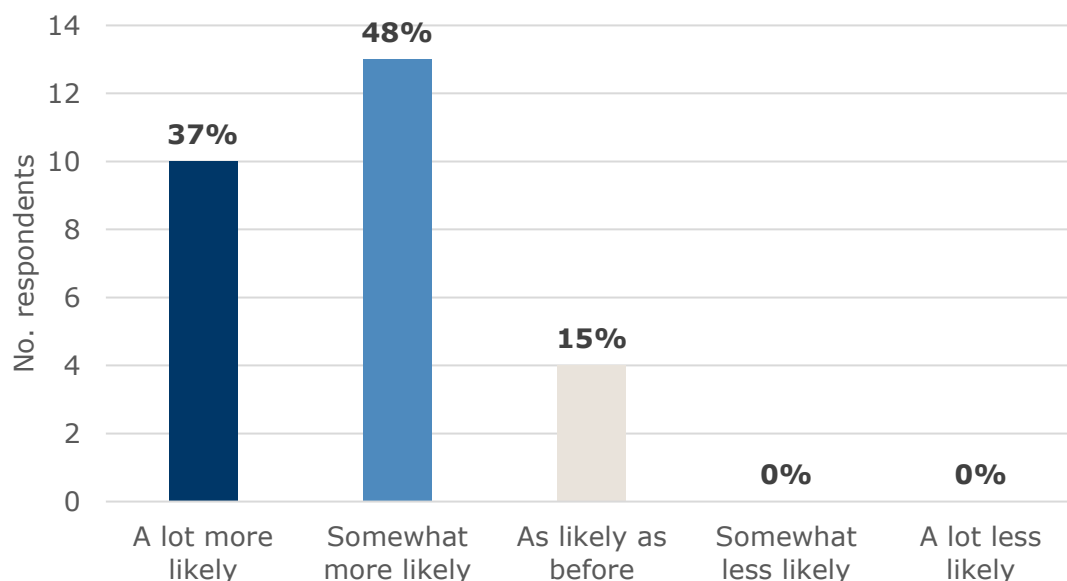
As indicated at the start of this chapter, it is too early to observe long-term outcomes and ultimate impact, such as contribution to economic growth. However, this evidence of participants making changes or planning to make changes that will enhance their data protection processes and procedures with strong attribution to the Pilot is a vital link in our Theory of Change. This shows a positive direction of travel in terms of achieving long-term outcomes and ultimate impact. In terms of the purpose of the Pilot and testing the assumptions that underline the concept, this evidence is significant for ICO decision makers.

### **5.1.3. Improved engagement with data protection issues and resources**

About half of respondents (52%) to the final survey were planning to expand their sources for data protection advice and learning materials after the Pilot. They said they would be accessing new advice and material, with free options being preferred to paid ones.

Also respondents said they would look to engage more often with the ICO, which they recognised as their primary source of data protection knowledge. Two thirds of respondents said they would be visiting the ICO website more often, and 85% of respondents were more likely to engage with the ICO and its support after participating in the Pilot (see Figure 9). These results are a strong indication that the Pilot had a positive reputational impact for the ICO.

**Figure 9: Final feedback survey respondents' likelihood of engaging with the ICO and its support in the future (N=27)**



Source: Final feedback survey.

#### **5.1.4. Medium and longer-term outcomes**

A key route to impact for organisations, in particular businesses, assumed in the Theory of Change is consumers becoming more confident when SMEs make changes increasing compliance and decreasing the likelihood of data protection harms. This in turn leads to more customers for participants, increased revenue for businesses and wider economic benefits for the UK.

The findings from the final feedback survey show that participants struggled to visualise how their changes would lead to these medium/longer-term outcomes.

- Half of the final feedback survey respondents who had, or were planning to, make changes said they were doing it solely because it was “the right thing to do”. This was more common for businesses than for not-for-profit organisations.
- Only two out of 16 businesses thought their changes would lead to increased customer confidence.

This provides some evidence, although not explicitly confirming, of an understanding that their actions can lead to a reduction in data protection harms and a greater protection of data subjects. However, it also highlights the need to help participants and businesses in particular to visualise what they stand to gain from getting their data protection right,

especially in the relationship with their customers. Although the route to impact can still occur without awareness amongst participants, an improved understanding could improve engagement and progression in future phases of the Project.

#### **5.1.5. Appetite for recognition**

The Project also plans to explore the potential for a system of recognition for participation in the e-learning modules, as a further benefit to participants. The final feedback survey explored this topic to a minor extent, as detailed below. However, this is an area where we suggest that further research is required.

All final feedback survey respondents said that they would benefit to some extent from obtaining a badge from completing this or a similar programme. The majority of respondents preferred a combination of badge and public register, which they believed would benefit their organisation, or both their organisation and themselves.

A badge and/or public register could help customers feel more confident when engaging with the participant organisations. However, further research would be needed to ensure a viable proposition. Also, that any such badge and register was both of value to the organisations and had a clear and transparent meaning that was defensible by the process undertaken to achieve it. Any further research should consider:

- Mitigating any risks of confusion over what the badge/register applies to and what can be inferred from it.
- The need for clear delineation from Article 42 UK GDPR Certification and A40 Codes of Conduct, and to avoid perceptions that data processing has been evaluated and confirmed as compliant.
- The context of the role of horizontal government policy in the area of certification as set out by BEIS and the Office for Product Safety and Standards - and also accounting for the role of the United Kingdom Accreditation Service (UKAS) in overseeing accredited certification (conformity assessment).

One respondent added that, on top of the already mentioned badge and public register, participants could benefit from having a way to validate completion. For example, they could use platforms such LinkedIn, as well as a certificate of attendance to be shared with their employer. For the full analysis, see Annex C.

## 5.2. Costs

### 5.2.1. Time spent completing modules

All but one of the five participants who were interviewed said that the indicative completion time for each module, estimated by the ICO team and reported in Table 13, was accurate. This means that the Pilot could be completed in under four hours of online learning (equivalent to around half a working day), which we consider is a moderate time investment for most SMEs.

**Table 13: Indicative completion time per module**

Element	Time (minutes)
Module 1	15
Module 2	30
Module 3	23
Module 4	18
Module 5	28
Module 6	21
Module 7	18
Module 8	18
Module 9	18
Module 10	10
Module 11	20
<b>Total</b>	<b>3 hours 39 minutes</b>

Source: Pilot platform

As participation is voluntary, it is likely that most participants viewed this time investment as a worthy trade off for the benefits they hoped to achieve.

### 5.2.2. Cost of implementing changes

Our evaluation survey evidence shows that participant data protection changes, as a result of the Pilot, do not come without a cost. As with the time spent completing modules, it should be noted that implementation of changes was initiated by the participants themselves.

#### **Time and financial inputs**

The majority of changes made, or planned by, final feedback survey respondents require a time investment. As half of the changes were expected to take more than 10 hours and a fourth of the changes expected to take more than 20 hours. However, respondents suggested that changes would most likely only incur a cost in terms of time spent

(and related wages) rather than direct financial costs. Though one respondent highlighted they were likely to outsource some aspects of the changes, and another thought that they might incur costs from their booking software providers when making adjustments.

Here we would highlight that Pilot participants were already engaging with data protection activities at some level. In a more largescale rollout, it is likely there would be organisations with lower data protection baselines meaning the time investment needed would likely be greater.

### **Building knowledge and keeping up to date**

Final feedback respondents often expected the time spent building knowledge of, and keeping up to date with, data protection issues to increase after the Pilot, in some cases due to introducing further training for staff. One respondent explicitly said they expected the time spent to initially increase but “once reviews have taken place and systems [is] set up, then time will be less”.

### **Dealing with data protection issues**

The time spent dealing with data protection issues was also expected to increase, though less so than compared to the time spent building knowledge and keeping up to date. Respondents were planning to invest time in further learning, but did not expect data breaches or subject access requests to happen more often. Thus, they did not foresee the time spent dealing with issues of this nature would drastically change.

### **Use of external advice and assistance**

Prior to participating in the Pilot, 16 out of the 27 final survey respondents were not buying in external advice or assistance. On completion of the Pilot, nine of these 16 participants (56%) said they would continue not purchasing external input, while six out of 16 (37.5%) were considering this as a future option. This is likely because the Pilot had made them better aware of their responsibilities, which they could not always cover themselves, especially if they were micro or very small SMEs.

Seven final feedback survey respondents said they were buying external advice or assistance prior to the Pilot. Four of them planned to buy less after the Pilot. This was because the content of the Pilot reduced the need for external expertise. This provides a good example of how the ICO can

reduce the regulator burden for businesses. Another two were planning to continue buying as before.<sup>34</sup>

### 5.3. Outcomes and impacts key messages

The key messages around outcomes and impacts are summarised below.

**Benefits:** Participants reported improvements to their confidence and knowledge of data protection issues and the majority said they had or were planning to make changes to policies, process and staff training as a result of participating in the Pilot. There are also indications that the Pilot has led to positive reputational impact for the ICO. The idea that participation would improve consumer confidence or other business impacts did not resonate with participants, highlighting a need to better communicate this route to impact.

**Badge or other recognition:** Participants indicated that a badge and public register as recognition of completion would have a positive impact on their organisation and them as an individual, helping customers feel more confident when engaging with the organisation.

**Cost implications:** There was a time cost of around half a working day for completing the modules. On top of this participants reported some time investment in making changes as a result of what they had learned. Some also reported potentially spending less on external advice or assistance as a result of participation indicating a reduction in costs. The costs implications are a natural consequence of participation and are likely to be outweighed by the benefits, particularly as participation is voluntary.

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<sup>34</sup> The seventh did not provide an answer.



## 6. Summary and recommendations

The final evaluation has taken into consideration a range of evidence sources (listed in Section 2.3) as well as the findings of the interim evaluation. In this section we draw out the key messages as well as making suggestions for further consideration.

### 6.1. Summary of key messages

The conclusions for the evaluation are grouped under each of the strands.

#### 6.1.1. Design and implementation

The evaluation finds that there is a sound rationale for the Pilot and a supportive context. There is evidence of demand for data protection (DP) knowledge and the Pilot aligns well with the ICO's strategic objectives. Future phases should ensure there is clarity around the definitions of an SME and stay abreast of developments in the policy and socioeconomic conditions for SMEs.

Although there were delays to the original timescales for the Project, these were largely beyond the control of the Project delivery team and appropriate measures were taken to ensure this did not affect the success of the Project.

The Pilot's design is deemed appropriate to meet its stated objectives. Furthermore, it has remained relevant under the new strategic plan for the ICO (ICO25). Future phases could benefit from revisiting, even if only to bolster, the rationale behind the eligibility criteria and alignment with the new goals.

#### 6.1.2. Engagement, take up and progression

Interest in the Pilot was much higher than anticipated and higher than that of similar ICO mailings. Future phases will need to consider engagement routes for participants that are not already on the register of data protection (DP) fee payers and set targets proportional to the levels of ICO resources inputted.

The rate at which applicants for the Pilot would actually sign up and activate their accounts was underestimated and resulted in only 52 of the targeted 60 SMEs actually activating their Pilot accounts. Conversations with SMEs that chose not to activate their accounts following shortlisting indicated that timing conflicts were the most common blocker. Future

phases should explore how to further incentivise SMEs to sign up once they have expressed interest.

Organisations that engaged with the Pilot tended to be larger. Surprisingly, a disproportionate amount of the participants were not-for-profit organisations. Future phases should take into consideration the value in providing different forms of tailored support for different organisation types (eg for profit, not-for-profit), particularly in the context of differing ICO25 aims (ie safeguard the most vulnerable, empower responsible innovation and sustainable economic growth).

Engagement tails off significantly from organisations activating their account to progression through the modules with just 25% completing all 11 modules. Frequency of visits to the ICO website was strongly correlated with progression through the modules. This indicates that once rollout extends to those not already engaged with the ICO, incentives for completion will need to be strengthened. Not-for-profit organisations also tended to progress further than businesses, strengthening the recommendation for considering tailored approaches for the two groups where appropriate.

Communications were deemed to be relevant, timely and useful. A similar approach should be taken in future.

### **6.1.3. Outcomes and impacts**

Participants reported improvements to their confidence and knowledge of data protection issues and the majority said they had, or were planning to, make changes to policies, processes and staff training as a result of participating in the Pilot. There are also indications that the Pilot has led to positive reputational impact for the ICO. The idea that participation would improve consumer confidence or other business impacts did not resonate with participants, highlighting a need to better communicate this link.

Participants indicated that a badge and public register as recognition of completion would have a positive impact on their organisation and them as an individual, helping customers feel more confident when engaging with the organisation.

There was a time cost of around half a working day for completing the modules. On top of this participants reported some time investment in making changes as a result of what they had learned. Some also reported potentially spending less on external advice or assistance indicating a

reduction in costs. The costs implications are a natural consequence of participation and are likely to be outweighed by the benefits, particularly as participation is voluntary.

#### 6.1.4. Performance against objectives

The initial objectives of the Pilot are set out below along with a view on whether findings of the evaluation can confirm that the objective has been achieved. All but one objective has been achieved, however, this is largely down to the early stages that the Pilot is testing. The propensity and willingness to pay the data protection fee needs to be tested with organisations that are not already registered to allow any robust conclusions to be made.

**Table 14: Performance against objectives**

Pilot objective	Evaluation view on achievement of objective
Test the viability and effectiveness of four main components: modules, self-assessment tools, advisory check-ups, and back-office admin.	Objective achieved
Investigate the appetite of SMEs to: <ul style="list-style-type: none"> <li>• sign up to a Data Protection Pledge; and</li> <li>• showcase their commitment to the UK GDPR via an SME Data Essentials badge and/or register.</li> </ul>	Objective achieved
Produce and deliver a series of e-learning modules for SMEs to improve their compliance to relevant data legislation.	Objective achieved
Demonstrate to SMEs the value the ICO can add and, therefore the value of paying and renewing the Data Protection (DP) fee.	Partially met, as there is evidence of reputational enhancement. The Pilot is yet to be tested on those that are not already registered.
Inform: <ul style="list-style-type: none"> <li>• the development of ideas for other phases of the Project; and</li> <li>• the wider Programme on the best long-term solutions for supporting SMEs to improve their compliance to relevant data legislation.</li> </ul>	Objective achieved

Source: ICO's Economic Analysis team

### **6.1.5. Overall conclusions**

As described above, the Pilot was a success, both in terms of the delivery of the e-learning modules to SMEs but also as a test of a new approach to supporting SMEs. The Pilot has provided a number of learning points which include successes to build on and replicate and challenges to reflect on. Organisationally, the Pilot is a strong demonstrator of how the ICO can collaborate effectively, innovate and experiment to find new ways to support SMEs.

## **6.2. Recommendations and areas for further consideration**

Throughout the report a number of direct recommendations and suggestions for action are made in response to specific evidence points, which are summarised below for convenience. In addition, more generally the findings of the evaluation suggest a number of thematic areas for further consideration, both for the future phases of the Project but also for the organisation more broadly. These are highlighted below.

### **Specific recommendations and suggestions**

- Bear in mind the common barriers faced by SMEs accessing business support, including:
  - poor access and awareness of suitable information and advice (and whether it is appropriate);
  - doubts about the value and benefits of obtaining information and advice versus the costs (time and financial costs);
  - uncertainty around the motivations and incentives of the organisations providing support (mistrust).
- Clarify the definition of SME used for eligibility and, where possible, align with standardised definitions used in UK GDPR. This applies both to the size of organisation but also the definition of the term enterprise.
- Draw on learnings when engaging in future procurement exercises for the technology platform and ensure there is sufficient capacity to engage resources from the procurement and commercial legal teams.

- The licensing arrangements currently in place impose a per user cost and are typically used where the total number of potential users is known. Given wider rollout could involve a platform that is openly available to all SMEs across the UK, this model is unlikely to be appropriate. Consideration should be given to other available options.
- Revisit modules 9 to 11 to ensure content is relevant or the relevance of these modules is better communicated to participants.
- Continue to make good use of examples in the modules as these were highlighted as a particularly strong feature by participants.
- Consider adding a reminder of key words and acronyms that can be accessed at any point within the modules, for example as a pop-up, to avoid participants being lost in jargon.
- Improve the platform progress status viability to ensure it is clear to participants which elements of a module are complete or not complete.
- Continue to consider accessibility and how this can be improved in further phases, both through procurement and during the development of the platform and materials.
- Further training is likely to be required for staff assigned to the helpline for any wider rollout to refresh existing staff and ensure there is capacity for any increase in demand.
- If advisory check-ups remain part of any future phases, the sustainability of resourcing should be considered.
- Future rollout options should consider how to keep participants engaged throughout and include consideration of incentives to complete all modules.
- Future phases should consider offering different forms of tailored support for different organisation types (eg for profit, not-for-profit including voluntary and charities) and sectors.
  - For example, the ICO could consider a separate but mirrored programme for not-for-profit organisations or separate targets and monitoring arrangements for each type of organisation.
  - Alternatively there could be branches of the same course with tweaks to improve the relevance. As a minimum, have

separate targets for each so that impacts can be tracked appropriately.

- Frequency of visits to the ICO website was strongly correlated with progression through the modules. This indicates that once rollout extends to those not already engaged with the ICO, incentives for completion will need to be strengthened. Not-for-profit organisations also tended to progress further than businesses, strengthening the recommendation for considering tailored approaches for the two groups where appropriate.
- The idea that participation would improve consumer confidence or other business impacts did not resonate with participants, highlighting a need to better communicate this link.

### **Thematic areas for consideration**

The findings of the evaluation suggest a number of thematic areas for further consideration, both for the future phases of the Project but also for the organisation more broadly. These are set out below:

- Take a formal approach to objective setting and the development of a Theory of Change for future projects and programmes. As per Green Book<sup>35</sup> guidance, objectives should as far as possible be expressed as outcomes, not service outputs, and there should be a logical chain of cause and effect by which the objectives will be produced. This would also help align with the ICO's Policy Methodology.
- There are around 5.6 million small and medium-sized organisations in the UK, over 4 million more than currently are on the register of data protection (DP) fee payers. The organisation should do some further scoping of the demand and engagement routes for the Project, particularly among those not on the register. This would help the Project team better understand the gap that it is filling and the types of organisations that are most likely to engage with and benefit from it. It would also help to inform future engagement strategies and target setting.
- Revisit the ICO's definitions and messaging around SMEs. For example, highlighting and clarifying the distinction between fee

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<sup>35</sup> HM Treasury (2020), [The Green Book and accompanying guidance and documents](#)

payers, thresholds for fee tiers and UK GDPR definitions of SMEs and thresholds for micro, small and medium sized enterprises.

- Further investigate the wide-ranging implications (cost, resourcing, reputational impacts, risks, opportunities, etc) of implementing a badge or other recognition system upon completion of the course. Also recognise the importance of delineation from existing approaches to certification and codes of conduct required in UK GDPR. Given this wasn't tested during the Pilot, and there are a number of options available, proportionate standalone research should be considered.
- Beyond this Pilot evaluation activity, set up a formal monitoring framework to ensure that the ICO is recording the benefits of the Project and Programme. As stated in Green Book guidance, all proposals must as part of the proposal contain proportionate budgetary, and management provisions for their own monitoring and evaluation. This will help in evidencing the benefits of the ICO to stakeholders, as well as informing and improving the design and delivery of future programmes and interventions.

### 6.3. Next steps for SME Data Essentials

The overall Project is experimental and being delivered iteratively. Phase 1, the focus of this report, covered the production and delivery of a pilot platform. Remaining phases of the Project are:

- Phase 2: Options evaluation and recommendations; and
- Phase 3: Implementation.

The findings of the evaluation will be taken on board by the Programme board and Project working group as part of phase 2 of the SME Data Essentials Project to inform the scoping for phase 3.