

MUTUAL LEARNING PROGRAMME:
HOST COUNTRY DISCUSSION PAPER – UNITED KINGDOM

**Supporting Evidence Based Policy – The Role of Evaluation in the
Department for Work and Pensions**

Peer Review on ‘Evaluation of Labour Market Policies and programmes:
methodology and practice’

United Kingdom, 29 - 30 September 2011

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Date: 22/07/11



This publication is supported for under the European Community Programme for Employment and Social Solidarity (2007-2013). This programme is managed by the Directorate-General for Employment, Social affairs and Equal Opportunities of the European Commission. It was established to financially support the implementation of the objectives of the European Union in the employment and social affairs area, as set out in the Social Agenda, and thereby contribute to the achievement of the Lisbon Strategy goals in these fields.

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1 QUICK SUMMARY

This paper has been prepared for a Peer Review within the framework of the Mutual Learning Programme. It provides information on the policy example of the Host Country for the Peer Review – in this case, United Kingdom. For information on the views of the countries participating in the Peer Review, please refer to the relevant Peer Review Comments Papers.

This paper explores the practice followed by the Department for Work and Pensions (DWP) in evaluating their labour market and employment support policies and programmes, and the use of the resulting evidence to inform policy development.

The Department is widely regarded as exemplifying good practice in terms of its analytical capabilities and commitment to evidence based policy making. This is illustrated by its historic investment in externally commissioned research and its internal teams of analysts, the commitment to publish all the evaluation work they commission and their active use of research and evaluation findings to inform policy development and review. However financial pressures over recent years, in common with other EU 27 nations, has led to a reduction in overall research and evaluation budgets and the need to 'do more with less'.

1.1 Planning and Commissioning Evaluations

The Department has an annual planning round, which follows a loosely structured process which begins with discussions between policy leads and analysts, the development of outline Project Initiation Documents, and through a process of review to a final selection process and a submission to Ministers. The approach followed is considered to work effectively, given the challenges of policy development in a rapidly moving policy field.

The Department has a Social and Economic Research Framework, which features over 80 external contractors who undertake the vast majority of the Department's evaluation studies. This allows analysts to select contractors from a broad pool, where their capabilities and specialisms are known, and mobilise research and evaluation studies rapidly. However some contractors do not share this view, and raise concerns over a lack of transparency in the commissioning process.

The Department utilises a wide range of methods in the studies it commissions, and also contributes to the development of new approaches through its Working Paper series. While the Department is keen to learn from the experience of others, this has mainly been restricted to other UK Government Departments and colleagues in the USA and Australia.

1.2 The Impact of Evaluation

A series of examples were identified where the findings of evaluation studies, combined with other research findings, had informed the development of policy. These are detailed in Section 4, but evaluation could be seen to impact more widely across the domains of organisational culture, to the body of knowledge on effective interventions, to accountability and resource savings and to improved opportunities for leverage.

1.3 Key Success Factors

Finally a series of key success factors were found to underpin the Department's approach:

- A commitment to evaluation and evidenced based policy development at all levels within the Department - with the expectation that all programme activity will be evaluated;
- The level of resources committed to evaluation – the terms of investing in external evaluation studies and in staff resources to be an intelligent customer;

- The location of analysts within policy teams - allowing evaluation to be 'built into' policy at the outset, and supporting joint evaluation specification and policy development.
- A strong commitment to dissemination – internally and externally - with all study reports routinely being published and in some instances collaborating with third parties to produce further analysis.
- Independence – the use of externally contracted resources to deliver evaluation projects helps ensure independence, as well as access to the latest methodological thinking.

2 CONTEXT: OVERVIEW OF THE ROLE OF EVALUATION IN DEVELOPING LABOUR MARKET POLICY

The Department makes a serious commitment at all levels to the development and implementation of evidence based policy, where evaluation makes an important contribution to the policy development process. The Department has been rated as 'strong' in terms of its analytical capacity and use of evidence in a recent Civil Service Capability Review¹. Another report² commissioned by the Department on its use of research and evaluation concurred with these findings, and found that consultees within and outside the Department considered their use of research was as good as or better than that of other government departments.

In common with other EU countries, the current public expenditure environment has constrained resources for policy delivery and evaluation, meaning the Department must ensure its investments provide best value for money. These financial pressures place an increased emphasis on evaluating what works, and at what cost, and ensuring that investments in evaluation answer the key questions they were designed to address.

The paper is based on the review of selected documentation and interviews with 10 staff in the Department and Jobcentre Plus. Alongside other examples, the Jobseekers Regime and Flexible New Deal (JRFND) programme features as an exemplar throughout to show how evidence from previous evaluations informed policy and operational development.

Jobseekers Regime and Flexible New Deal – Introduction

The Jobseekers Regime and Flexible New Deal (JRFND) comprised two elements:

- The Jobseekers Regime element first built on the existing regime to increase support in the first 12 months of unemployment – including a 'gateway' to additional support at the six months stage for those over 25 (compared to at 18 months previously) and where more support is needed; and
- The Flexible New Deal element included specialist return to work support from public, private and voluntary providers after 12 months away from work – with a more flexible model of employment support which incentivised providers to achieve longer term and sustained job outcomes

The policy built on the experience of the previous New Deals and Employment Zones, in the context of the Freud review³, which made recommendations to reduce the number of the most socially disadvantaged people and emphasised the importance of personalisation in service delivery for jobseekers.

¹ Department for Work and Pensions: Progress and Next Steps, Cabinet Office, July 2008, www.civilservice.gov.uk/capabilityreviews Capability Reviews provide honest and robust assessments of the capability of UK government departments, identifying measures needed to meet their future challenges.

² The Impact of Research on the Policy Process, Frontier Economics Ltd, 2010, http://research.dwp.gov.uk/asd/asd5/report_abstracts/wp_abstracts/wpa_082.asp

³ Reducing dependency, increasing opportunity: options for the future of welfare to work. An independent report to the Department for Work and Pensions. David Freud, 2007 <http://www.dwp.gov.uk/docs/welfarereview.pdf>

2.1 The Department for Work and Pensions

The Department was formed in 2001 from the merger of the employment element of the former Department for Education and Employment and the Department for Social Security. The Department is responsible for employment, welfare and pension policy, and is the largest public service delivery department in the UK, with over 120,000 full time equivalent staff in 2009/2010 serving over 20 million customers annually. The Department has an expenditure allocation of £7.8 billion (or €8.9 billion at the current rate of £1 = €1.14) for 2011/12.⁴

The Department delivers services to its customers through two executive agencies, with some 1,000 Jobcentres, contact centres and benefit processing centres across the UK:

- Jobcentre Plus – which helps people of working age prepare for work and find appropriate employment, and delivers working age benefits such as Jobseeker's Allowance and the Employment and Support Allowance; and
- The Pension, Disability and Carers Service – which serves some of the most vulnerable members of society, and comprises: the Pension Service (which pays the Basic State Pension and Pension Credit and provides information on benefits, pensions and retirement issues); and the Disability and Carers Service (which provides financial support to disabled people and their carers).

The Department is a major commissioner of external social research, publishing over 600 research reports⁵ since its formation. The Department works closely with Jobcentre Plus to plan and deliver evaluation studies, led by analysts within the Department or colleagues in Jobcentre Plus.

2.2 Overview of the Role of Evaluation in Developing Labour Market Policy

2.2.1 Labour Market and Employment Policy

UK labour market policy is intended to contribute, through increasing employment within an efficiently functioning labour market, to enhanced economic prosperity and reduced welfare expenditure. Current priorities, as set out in the 2011-2015 business plan, include:

- Progressing a programme of welfare reform, in line with the Coalition Government's reform agenda, including the introduction of the Universal Credit⁶ from March 2013 and other simplification measures to incentivise work and ensure that "work always pays";
- The introduction of the Work Programme⁷, an integrated package of personalised support to get people into work, with a results-based provider payment model which incentivises engagement with those furthest from the labour market;
- Tackling the causes of child poverty, through a welfare system which recognises work as the main route out of poverty and supports more lone parents into work; and
- Improving equality of access to work for disabled people, and the introduction of Work Choice to provide employment support for those facing the greatest barriers.
- In 2011/12 some £2.8 billion (€ 3.2 billion) of expenditure has been allocated to the Department's main employment programmes and labour market activity and over £3.1 billion (€3.5 billion) to Jobcentre Plus for benefits processing and other operations.

⁴ Business Plan 2011-2015, Department for Work and Pensions, May 2011, <http://www.dwp.gov.uk/docs/dwp-business-plan-may-2011.pdf>

⁵ Available at <http://research.dwp.gov.uk/asd/asd5/rrs-index.asp>

⁶ The Universal Credit is a single, working-age credit that will provide a basic allowance with additional elements for children, disability, housing and caring, and represents a radical simplification of the welfare system, see <http://www.dwp.gov.uk/policy/welfare-reform/legislation-and-key-documents/universal-credit/>

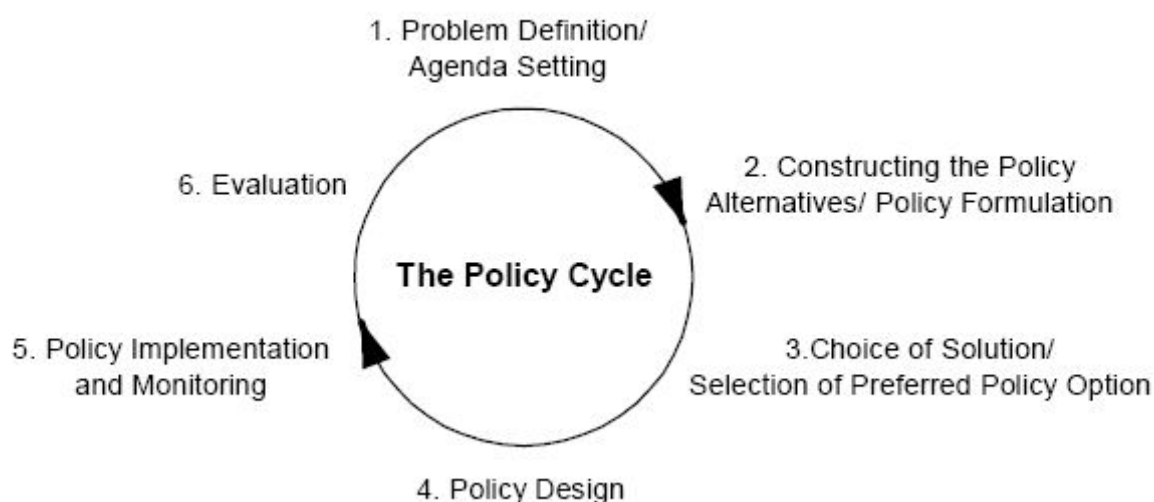
⁷ More information on the Work Programme is available at <http://www.dwp.gov.uk/supplying-dwp/what-we-buy/welfare-to-work-services/work-programme/>

2.2.2 The Policy Cycle

The development and review of employment and labour market policy within DWP follows the classic 'policy cycle', shown in Figure 1 below. The steps in the cycle include:

- Problem definition/agenda setting – where a problem is identified and defined, and potential solutions explored (including findings from previous evaluation studies).
- Exploring alternatives and policy formulation – where options and possible solutions to the identified problem are discussed, with a view to adopting new or amending existing policy (where evaluation findings informing strategic and operational considerations).
- Selection of preferred policy option – where a range of economic, political and social issues are considered to result in the selection of a preferred policy option.
- Policy design – once an option is selected, the detailed design of the policy takes place, (potentially including piloting and subsequent evaluation), with impact assessments to explain the effects of Government proposals on the private, public and third sectors, how the new policies may affect people and their estimated costs and benefits.

Figure 1: The Policy Development and Review Cycle



Source: Young and Quinn 2002

- Policy implementation – the implementation of the policy, and monitoring its delivery against key activity, output and outcome measures (here evaluation information supports the implementation process – to inform change in the delivery model, target groups, etc).
- Evaluation – formative and summative evaluations explore policy effectiveness, if policy objectives are being met, and whether there are any unintended outcomes.

Evaluation evidence is used with other research to provide a comprehensive basis for policy development. Much of this evidence is drawn from the Department's own research, from other UK and US studies. This is usually embedded with policy publications, but in at least one instance, as described below, has been produced as a separate 'evidence paper'.

JRFND Evidence Paper

For JRFND an evidence paper was produced based on external and internal research, and found that:

- Providing intensive support to jobseekers from the start of their claims was likely to be a poor use of resources – as around 60 per cent find work within 13 weeks and 80 per cent within 26 weeks.

- The New Deal Gateway was effective in building relationships between advisers and jobseekers - leading to adviser support being offered at the six month point for jobseekers aged 25 and over.
- Jobseekers with a history of long-term benefit receipt needed more support, provided earlier, to find employment - further supporting fast-tracking towards the Gateway stage.
- The evidence also supported providing flexible, tailored support from the 12 month point as an effective means of helping jobseekers (from the experience of Employment Zones), and the use of provider payments as incentives to help jobseekers into sustainable employment. The paper concluded that:
- The current jobseekers intervention regime is highly effective for short term jobseekers;
- Adviser support was a key component of the New Deal programmes, with the six month point being the most effective time for more intensive interventions;
- Evidence supported the move to a more flexible model, with providers tailoring support to individuals' needs, to more support jobseekers' progress into employment; and
- That employment programmes for the long-term unemployed should target sustained job outcomes longer than the current 13 week measure, with providers being incentivised accordingly.

Source: Flexible New Deal Evidence Paper, Department for Work and Pensions, 2007

3 APPROACH TO LABOUR MARKET POLICY EVALUATION

3.1 Resources for Evaluation

The importance afforded to the role of evaluation within the Department is illustrated by:

- The Department's commitment to evaluating all of its main policy and programme activity – with the expectation that activities will be evaluated and the findings utilised;
- The Department's commitment to disseminating the findings of its evaluation work, both internally and externally, to maximise value and to influence change; and
- The resources the Department commits to evaluation – both financial and staff time, with significant analyst input to the management of evaluation studies.

The vast majority of the Department's evaluation activity is delivered by external contractors, and the Department commits a high level of funding and staff time to supporting their commitment to evaluation. However like other Departments the pressures on public sector finances resulting from steps to address the deficit have reduced available resources. One of the challenges for the Department is 'to do more for less', which is currently leading to debate within the Department on restructuring the position of its analytical service staff.

3.1.1 Funding Evaluation

The Department has a central budget for research and evaluation, which is supplemented by resources from programme budgets in the case of large evaluation studies. Study budgets range from the low tens of thousands of pounds for short evidence reviews to several million pounds for longitudinal, multi-stranded policy evaluation projects to identify net impacts.

The planned research and evaluation expenditure for 2011/2012 is £16.9 million (€19.3 million), of which £4.3million (€4.9 million) is allocated to 44 projects related to the evaluation of programmes supporting individuals of working age. This represents a significant reduction in the overall budget compared to previous years. Like other Departments, DWP has had to make a series of challenging decisions in allocating expenditure for the current financial year. Within DWP financial pressures have led to an increased scrutiny of proposed evaluation studies at all levels, with Ministers taking an

increased interest in research budgets following in-year budget cuts in 2010/2011 and in reaching an expenditure allocation for 2011/12. Currently all proposals for research and evaluation projects with a value of over £25,000 (€28,500) must seek approval from Ministers.

3.1.2 Internal Staffing

At the time of writing the Department employs over 600 analysts, 110 of which are social researchers whose roles include the management of research and evaluation studies. Staff is drawn from a wide range of disciplines, including social scientists, statisticians, economists and operational researchers. The share of individual analysts' time dedicated to evaluation work varies, with some analysts dedicated solely to the management of evaluation studies.

The placing of most analysts in the policy teams they serve, instead of in a separate division, was considered by all the staff interviewed to be a key factor in the effectiveness of evaluation planning and management. This approach allows analysts to develop relationships with their policy colleagues, which fosters closer working to develop policy and its evaluation. Direct involvement in policy development means that analysts have a detailed understanding of their policy and programme areas. This proximity also helps ensure that evaluation findings can be communicated effectively and responses formulated jointly.

In addition to the analysts based in the policy teams, there is also a small central analysis team which is responsible for research programme development and management, and the provision of advice on research methods and other technical matters. The role of the central team was particularly valued by the interviewees, where the technical expertise and experience of key staff was often drawn upon. The Department also has a small dedicated contract management team for research and evaluation which is responsible for procurement, the letting of contracts, finance and payments.

3.1.3 Evaluation Planning and Priority Setting

The Department produces an annual research and evaluation plan for their employment and labour market policy areas. This process encompasses evaluations of the Department's large strategic programmes (such as the new Work Programme) alongside smaller short term studies (such as the piloting of small scale innovations, responses to ad hoc issues as they arise). The planning process seeks to balance informing the development and review of the Department's strategic priorities with the flexibility to respond to issues as they arise.

The process by which the annual programme is developed reflects the distribution of the governance of evaluation across the Department, where inputs are received from a range of interests in a less formally structured process. Recent changes have seen the introduction of internal and external peer review processes where particularly complex methodologies are envisaged. In outline, the key steps in the process (as relating to working age research and evaluation) include:

- Initial discussions between analysts and policy colleagues to identify where research and evaluation information will be required in the coming year (September to October);
- The outcomes of these discussions are presented in the form of short research priority papers to a Working Age Research Group (WARG), who help to prioritise projects for the coming year (November);
- Detailed Project Initiation Documents (PIDs) are then drafted for each proposed study, including anticipated costs, timetable, aims and key questions, and proposed methodologies. These are shared with policy colleagues and other analysts for peer review. Proposals for projects with more complex or challenging methodologies may be peer reviewed externally by academics and other experts in the field, or subject to

feasibility studies (November to December). Summary PIDs are also developed for projects approved in the current year but which are yet to start (December);

- The proposed projects are reviewed by the Central Analysis Division (CAD), together with those from other areas of the Department, to form an overall DWP programme of research and evaluation – including as well as these new projects ongoing work, as well as previously approved projects which are yet to start. This includes both projects funded from core research budgets and those (usually larger ones) funded from programme budgets. All projects are at this stage open to challenge, and bilateral negotiations will take place between CAD and those proposing individual projects, as well as a series of discussions with senior management to agree the proposed programme;
- A submission is made to ministers by CAD, which outlines the total programme (February/March); and
- Following discussions with Ministers and further challenges on individual projects, evaluation and research projects are given funding approval by Ministers (April).

(Note – this process should be taken as indicative, since the detailed process is likely to change further following the imminent restructuring within the Department.)

The individuals interviewed considered that the current planning approach was realistic and pragmatic, and that a more formalised multi-year forward planning approach in such a dynamic policy environment would be unrealistic. Similarly it was hard to envisage any overarching strategy which could embrace the interests of such a broad Department, even within the employment and labour market policy area.

3.2 Commissioning Evaluations

3.2.1 *The Contractor Marketplace*

The UK market for the provision of research and evaluation services is a mature and sophisticated one, and features a wide range of organisations offering services including:

- Universities and other academic/research institutions – where departments may develop specialisms in single/cross multiple policy areas - such as the Policy Studies Institute;
- ‘Think tanks’ and charitable institutions – such as the Institute for Public Policy Research;
- Private sector consultancy firms – from large multi-national management consultancies to small to medium sized firms operating nationally or regionally;
- Market research organisations – who have the capability to deliver large scale surveys through a range of techniques; and
- Specialist or ‘niche’ contractors – often smaller organisations, with specific interests and expertise in fields such as disability employment issues or discrimination.

3.2.2 *The DWP Social Research Framework*

The Department commissions the vast majority of its research and evaluation work through its Social and Economic Research Framework, which was one of the first such frameworks introduced by government. The Framework comprises five Lots by policy area, with most labour market evaluations being let under Lots 4 and 5 (General Labour Market Research and Welfare to Work Evaluation; and Commissioning, Performance and Business Delivery respectively). Entry to the Framework is by competitive tender, and it features over 80 external contractors, 60 in Lot 4 and 23 in Lot 5. Contractors comprise a mix of academic, private sector and other research organisations, operating in single or across multiple lots

depending on their expertise and experience. Consortia approaches from Framework members are encouraged, particularly for large studies requiring multi-method approaches.

The framework was established as a 'non-OJEU' framework, which allowed contracts to be let on a single tender basis without the need for the full competitive process. While initially contracts were let on a single tender basis, recent years have seen the increased use of expressions of interest or mini-competitions (where contractors within a single or across Lots are invited to compete) to select contractors. This is due at least in part to the recognition that competition can be effective in ensuring value for money.

Analysts within the Department can draw upon a database of Framework contractors when letting tenders, which sets out their capabilities and experience. However colleagues' views and previous experience of working with individual contractors are frequently sought as part of the supplier selection and decision making process.

A recent Social Research Association review of social research procurement across Government⁸ featured the DWP Framework as a case study – as summarised below.

The DWP Framework

A recent review of social research procurement within Government featured qualitative interviews with DWP research and procurement staff and contractors operating under the Framework.

DWP analysts described how the selection of contractors was based on a combination of the study requirements, the interrogation of a 'contractor database' developed for the Framework, their knowledge and previous experience of working with the contractor, and the views and previous experience of colleagues. The study found a degree of reluctance to use new suppliers amongst analysts if their work was unknown, or to use them initially for smaller and lower risk studies. The Framework approach to contractor selection was considered to work well by the analysts interviewed, with specific strengths including the ability to:

- Commission research quickly, and so be responsive to short term information requirements;
- Select contractors on an informed basis, and establish relationships with them; and
- When following the single tender model, engage with contractors early in the planning of specific pieces of research, and work with them to develop the final evaluation approach.

The ability to engage early and work with the Department's analysts to develop and finalise approaches was also seen as a strength by the contractors interviewed. However some were more critical of a perceived lack of transparency in the contractor selection process, raised concerns as new Framework suppliers receiving the opportunity to respond to tenders, and the potential barriers posed by analysts' preferences for working with particular contractors.

The study concluded that the DWP Framework works well for analysts, leading to high quality research and good relationships with commissioned contractors.

Source: Different Ways of Procuring Social Research in Government, Carol Goldstone Associates, April 2011

The interviews with analysts confirmed the findings from the Goldstone study, where the Framework was considered to work well and contribute to the quality of the research outcomes. The increased use of the 'mini competitions' was considered to address some of the issues of transparency and access, by moving away from the single tender approach as well as improving value for money from contractors.

3.3 Methods Used

A wide range of methodologies are employed in DWP evaluations, ranging from qualitative interviews to the use of more sophisticated quasi-experimental methods and randomised control trials to identify gross and net impacts. Decisions on methodologies are determined by the questions the evaluation is seeking to address, for example:

⁸ Different Ways of Procuring Social Research in Government, Carol Goldstone Associates, April 2011

- Studies to provide early formative findings on new or pilot interventions will rely primarily on qualitative techniques to explore process issues, supplemented by programme management where available within the study timeframe; and
- Studies exploring more complex issues, such as identifying the impact of employment policies, will require complex and multi-method approaches, implemented over several years to allow impacts to be quantified. Such studies often employ quasi-experimental approaches using control groups and randomised control trials to identify net impacts.
- The process of selecting methods for studies begins early in the evaluation planning stage, and as part of developing PIDs, when analysts work with their policy colleagues to identify:
- What questions must the evaluation address?
- Can these questions be answered within the suggested timescale – for example has sufficient time elapsed for the impact and other effects of interventions to be realised?
- Which methods are appropriate and practicable to ensure the right information is collected, and which are likely to prove to be the most cost effective?

The Department seeks to balance being prescriptive about methods in its project briefs with encouraging contractors to be creative in the approaches they propose. The degree of prescription varies depending on the nature of the assignment, although most briefs include 'suggested approaches' to give guidance on the Department's expectations. This allows contractors to propose different and innovative methods if they consider them appropriate.

Guidance on evaluation methods, and their application, is provided by Government through the HM Treasury Green⁹ and Magenta¹⁰ Books, which provide detailed guidelines for policy makers and analysts on how policies and projects should be reviewed. The Green Book emphasises the economic principles which should be applied, the Magenta Book, which was recently revised with significant inputs from senior DWP analysts, provides guidance on how evaluation should be designed and undertaken. The Department also contributes to thinking on new methodologies and approaches to evaluation through its Working Papers series¹¹. This covers an eclectic mix of subjects, and includes methods development papers such as developing empirical estimates for the costs and benefits of programmes to add to the Departments' Cost Benefit guidance document¹².

The Magenta Book

The Magenta Book provides Treasury guidance on evaluation for Central Government, and is a useful resource for evaluators and policy makers across local government, charities and within the voluntary sector. It sets out the issues to consider when designing and managing evaluations, and the presentation and interpretation of evaluation results. It shows why thinking about evaluation as part of the policy design phase can help to improve the quality of evaluation results, and is into two parts.

- The first is designed for policy makers, providing a definition of evaluation and describing the benefits that can result from it. The requirements for good evaluation are explained in simple terms, and simple steps are offered to provide practical advice to policy makers.
- The second is more technical, and aimed at analysts and policy makers with a particular interest in evaluation. It provides detail on the key steps to follow when planning and undertaking evaluation studies, and how different methodologies and research designs can address key research questions. It also discusses how evaluation findings can be interpreted and used most effectively.

⁹ http://www.hm-treasury.gov.uk/data_greenbook_index.htm

¹⁰ http://www.hm-treasury.gov.uk/data_magentabook_index.htm

¹¹ <http://research.dwp.gov.uk/asd/asd5/wp-index.asp>

¹² 'Improving DWP Assessment of the Relative Costs and Benefits of Employment Programmes', Greenburg, D., G. Knight, S. Speckesser and D. Hevenstone, Working Paper No. 100

Supplementary guidance is also being prepared to accompany the newly revised Magenta Book, which will cover specific issues in more detail, for example statistical analysis and sampling.

Finally, the Department frequently deposits data it collects with the Economic and Social Research Council (ESRC) Data Archive where it is available for further analysis; and on occasion works collaboratively with third parties to conduct further analysis of unarchived data.

Sources of Evaluation Evidence

The Department can provide direct or facilitated access to client data to support the research process:

- Launched in 2004, the Work and Pensions Longitudinal Study is a valuable source of information, linking client benefit and programme information with employment and earnings information from Her Majesty's Revenue and Customs data.
- Client data and contact information can be supplied to build sample frames for customer surveys.
- All DWP employment programme providers have an explicit requirement in their contracts to participate in any evaluation studies commissioned by the Department.
- Access to frontline Jobcentre Plus staff is facilitated through a field access 'Gateway', that ensures individual offices are not overburdened by information requests.
- Monitoring information from Jobcentre Plus on key performance indicators and labour market contexts at local and regional levels can be made available to support contextual analyses.

Access to client information is strictly controlled, and the Department takes its responsibilities under the Data Protection Act and duties to protect sensitive client data extremely seriously.

3.4 Project Management

Programme and project management (PPM) techniques are the standard approach to the management of major initiatives and business strands within the Department. PPM offers a methodology for organising the development and implementation of policy – making planning explicit, managing risk and recognising interdependencies. Within this approach:

- Each evaluation has a dedicated contract manager – an analyst providing professional inputs, managing contract compliance, quality assurance, and adherence to timetable.
- Each study has a steering group – whose members reflect the scale and significance of the project, and can include colleagues from other Departments and external bodies.
- The top tier Programme Board will have a senior member of the Department with specific responsibility for evaluation. Reports will be made to the Board on the progress of an evaluation and its findings for review and discussion.

These management structures support the effective delivery of high quality projects that 'fit' with and inform the policy agenda.

3.5 Learning from Practice Elsewhere

The new Government has expressed an interest in learning from global best practice in programme design and implementation. International comparisons are both a starting point in the debate around and the development of programmes, but are also a solid foundation for framing evaluation design. The sharing of practice has focused upon:

- Learning to inform the design and development of new policy and how the Department's policy objectives can be achieved; and
- Learning and sharing knowledge and experience around research methods – including the use of new approaches and analytical techniques.

One example of shared learning internationally is provided by the ERA project below.

Employment Retention and Advancement Demonstration Project (ERA) – Randomised Control Trials (RCT)¹³

This evaluation analysed the economic impact of an employment retention and advancement demonstration project for participants and for government. The project tested a new model to help low-income groups keep jobs and advance in the labour market, including the use of in-work and financial support for 24 months. Between October 2003 and April 2005, over 16,000 people were randomly allocated between treatment and control groups. The evaluation used administrative data on benefits, employment and earnings information and longitudinal customer surveys at 12, 24 and 60 months. It also used qualitative techniques to explore the participant and staff experiences.

The study was managed by DWP, in close liaison with Treasury colleagues. The evaluation was contracted out to a consortium led by the Manpower Demonstration and Research Corporation (headquartered in New York), including the National Institute of Economic and Social Research, the Policy Studies Institute, the Institute for Fiscal Studies and the Office for National Statistics. In addition, Jobcentre Plus staff was trained as Technical Assistants in the field to advise frontline staff on the randomisation process in order to ensure the integrity of the experimental design.

Alongside the aims and objectives of the ERA programme evaluation, the project intended to develop capacity in the UK to undertake RCTs of innovative social policy experiments. This was achieved through collaborative working on the project itself, and through US-UK learning exchanges between practitioners and researchers.

¹³ 'Breaking the low-pay, no-pay cycle: Final evidence from the UK Employment and Retention and Advancement (ERA) demonstration', Hendra R., J.A. Riccio, R. Dorsett, D.H. Greenberg, G. Knight, J. Philips, P.K. Robins, S. Vegeris and J. Walter, A. Hill, K. Ray and J. Smith DWP Research Summary, 2011

4 USING THE RESULTS OF EVALUATION – IMPACT ON POLICY

This section explores the way in which the findings from evaluation studies, alongside other research findings, are used by the Department to influence policy development. As reported previously, evaluation findings play an important role within the Department in developing and implementing policy, and can be of particular value in:

- The development of potential policy responses to identified problems or concerns – by providing insights into ‘what works’, in what circumstances and for whom - and informing the detail of selected policy options;
- Informing the testing of new policy delivery through initial piloting and through formative evaluation approaches - to inform roll-out and future delivery and contribute alongside the consideration of management information to the process of ongoing review; and
- Providing evidence of ‘what works’ through the process of summative evaluation – from providing insights into effective and good practice delivery processes to identifying impact in terms of net outcomes and the cost effectiveness of different approaches.

This review identified many examples of the contribution of evaluation to policy development – and a recent report into the use of research by the Department¹⁴ also provided examples.

4.1 Structures for Dissemination and Utilisation

The Department’s commitment to evidence based policy development means that processes for the sharing and use of evaluation are embedded within policy teams. The structures in place to manage evaluation studies also allow for findings to be shared with policy colleagues rapidly.

These structures combine the informal and the formal – with analysts being able to share emerging findings directly with policy colleagues (e.g. through discussions ‘around the coffee machine’) as well as through more formal dissemination routes such as steering meetings and Project and Programme Management Boards attended by key decision makers.

The policy implications of research and evaluation reports are summarised in all cases for Ministers. More detailed responses are usually discussed and planned with the input of key decision makers. This action planning mainly takes place once formative or summative evaluation findings are produced – in some cases on the basis of emerging findings where there is a clear need for early action - with analysts and policy colleagues reviewing the findings, discussing how any recommendations could be implemented and exploring any sensitivities around their application for certain customer group (for example for individuals with disabilities and lone parents). More broadly, the internal ‘evaluation culture’ means that evaluation is expected to play a central role in policy development – with an ‘appetite for evidence’ being apparent at all levels.

All the evaluations undertaken are published by the Department. Additional approaches to dissemination including participation in research networks, sharing findings with other Departments and specific interest groups combine with publication to ensure transparency and maximum use. This includes exploring approaches which have not proved to be effective with representative bodies and provider groups, as in the case below.

Breaking Bad News

In most cases where there are challenging findings from the evaluation, MI or take-up data, as well as policy customers’ links with the analysts managing evaluation studies, an advanced warning is provided that the final findings of evaluation studies will not be positive.

¹⁴ The Impact of Research on the Policy Process, Frontier Economics, 2010

In some cases evaluation findings are discussed with representatives of different client groups or with delivery providers. For example, the Job Retention and Rehabilitation pilot trialled an approach to intervene with individuals off work sick for between six and 26 weeks to support the return to work, with a view to rolling out the approach nationally if it proved to be effective. Initial take-up was slow, and although it picked up later in the piloting period the evaluation, which featured a randomised control trial, showed that the pilot was having no impact and so was not continued.

Given that the providers involved in the pilot were expected to be surprised by the evaluation findings, the Department met with them and used the qualitative evaluation evidence to explore why impact was limited. The pilot showed the importance of engaging with stakeholders from the outset to be able to anticipate their reactions to and the implications of potentially critical findings.

4.2 The Impact of Evaluations

The Department's evaluation activities impact in five distinct areas, namely:

- Culture – the availability of evaluation evidence, and the ability to demonstrate its value to policy colleagues and Ministers, has contributed to the development and embedding of a culture of evidence based policy making. This is reflected in senior level support for evaluation work. The Frontier Economics¹⁵ study described how support from senior policy staff ensured the number of pilot areas in the Pathways to Work evaluation was increased to extend the knowledge base on welfare to work for disabled people.
- Contributing to the body of knowledge on what works and why in employment and labour market policy and delivery – for example the acknowledgement that advisor skills are key in securing outcomes, as shown across a series of studies.
- Policy design – where evaluation studies have informed the design of new, and changes in existing, policy measures. While quantitative evidence is the most persuasive by illustrating impacts, qualitative evidence from process evaluations also has a role in supporting continuous improvement through a range of direct, simple and implementable recommendations, with examples including improving guidance and train to advisors.
- Accountability and resource savings – as well as showing the return on investment of public money, evaluation evidence can also lead to savings where interventions are not effective. Examples include the evaluation of a telephone signing pilot for JSA and the evaluation of the ERA demonstration project, where the national roll-out of both initiatives was stopped following analysis of evaluation findings.
- Leverage – programmes with a robust evidence base are likely to fare better in funding reviews, where a strong case can be made for continued investment or upscaling of approaches shown to be effective (e.g. NDLP). Quantitative evidence of net impact is often the most persuasive.

4.3 Examples of Impact

A number of examples of the impact of evaluations upon policy development and review have been identified as part of this review, illustrative examples are provided below. These draw on the Frontier Economics review of research use by the Department¹⁶, and examples identified in the interviews with staff for this paper. The examples illustrate how the impacts of evaluation on policy development are often iterative, described by one interviewee as “policy translation rather than policy transformation”, drawing both on individual studies and the wider body of knowledge developed over many years.

¹⁵ Ibid

¹⁶ Ibid

Examples of Impact

The Frontier Economics study explored the impact of research and evaluation on policy, and found that evidence was important to and valued by policy makers, as in the case of the Pathways to Work pilots:

- The evaluation of the Pathways to Work pilots informed the roll-out of the Employment Support Allowance (ESA), a new benefit introduced to replace the former Incapacity Benefit. The Pathways pilots were themselves developed on the basis of evidence from research undertaken on the New Deal programmes, notably of the effectiveness of active welfare to work policies and how personal advisors could help individuals progress to work. The Pathways approach was found to be effective, and cost effective, in the initial pilots, and this led to a national roll-out of Pathways. Later results however have been less encouraging, and the lessons from Pathways have been used in the design of the ESA.

The interviews for this paper also identified examples of the impact of evaluation on policy, as below.

Evaluation of the Pathways Advisory Service – Placing Advisors in Doctor's Surgeries¹⁷

While identifying impact, and particularly net impact, requires large, lengthy, complex and costly evaluation approaches, valuable lessons can still result from shorter, more qualitative approaches. The key issue is ensuring that evaluation approaches are commensurate with their subject in terms of their scale, focus and expectation in terms of results within a set timeframe. This small scale pilot programme explored whether the placement of advisors in doctor's surgeries, in a 'gateway' model where they act as a link to Jobcentre Plus and partner services, could be effective in engaging with Statutory Sick Pay and Incapacity Benefit claimants not using employment services.

The scale and duration of the pilot meant that its impacts would be limited and hard to identify. Consequently the evaluation followed a primarily qualitative approach, with methods including a survey of service users, in-depth qualitative interviews with a sub-sample of respondents, and qualitative interviews with programme stakeholders, pathways advisors, GPs and other surgery staff.

The evaluation showed that the main objectives of the pilot had largely been met, and that the 'pathways' approach could be effective in the health setting. In particular it showed that the service could provide advice and guidance to those in as well as out of work, encourage new contact with Jobcentre Plus services amongst people unlikely to do so otherwise, and deepening the relationship between health professionals and Jobcentre Plus.

The findings of the study informed the development of a model for the Pathways Advisory Service, as well as subsequent developments including the development of Fit to Work and other interventions with the Department of Health. The Department is currently considering the potential role of advisors placed within treatment centres for drug and alcohol misuse.

Evaluation of the ERA Demonstration Project

The recently completed evaluation of the UK Employment Retention and Advancement (ERA) project unequivocally showed what interventions did or did not work for which clients, and at what costs:

ERA increased New Deal for Lone Parents (NDLP) participants' earnings in the short-term, but the impact was not sustained beyond the programme. However sub-group analysis found substantial and longer-lasting income effects for participants with higher educational qualifications.

- ERA only had a short-term impact on the likelihood of working full-time and on earnings of participants in receipt of Working Tax Credits (WTC).
- ERA increased New Deal 25+ participants' employment rates and earnings, and this impact persisted beyond participation in the programme.
- ERA was most cost-effective for the New Deal 25+ group, producing a net economic gain for participants and positive return on the Government's investment.
- The evaluation findings informed the decision not to roll-out a national ERA programme for all clients, and a recent symposium explored the utility of the findings for the design and implementation of the new Work Programme and Universal Credit¹⁸.

¹⁷ The Pathways Advisory Service: Placing Employment Advisors in GP Surgeries, R Sainsbury, K Nice, C Nevill, M Wood, J Dixon and M Mitchell, 2008 <http://research.dwp.gov.uk/asd/asd5/rports2007-2008/rrep494.pdf>

Finally, the development of the JRFND policy described throughout this paper has shown how evaluation both informs initial policy development, and how lessons are learnt through delivery and subsequent evaluation to inform policy for the future.

JRFND Evaluation

The evaluation of JRFND focused on the effectiveness of the new approach, including identifying the impact on the claimant count, establishing whether the intervention was cost effective, assess customer experiences and learn lessons for future policy development. It was considered vital that the evaluation saw JRFND as an 'end to end' process, with a series of 'key design features' being set out for exploration.

The approach featured a combination of qualitative and quantitative methods, including:

- Qualitative research with Jobcentre Plus staff, providers and customers;
- Large scale quantitative surveys of JSA customers;
- An impact assessment;
- A cost benefit assessment; and
- The analysis of administrative data.

As JRFND has since been superseded by the Work Programme, the lessons from its evaluation have had only a limited bearing on policy development and implementation to date. However it did provide early lessons on advisor skills in the context of improving flexible delivery.

In many ways the evaluation of JRFND demonstrated the practical realities of the use of findings to inform developments:

- Firstly findings on early implementation were delivered too late to have real impact – leading to plans to undertake early reviews of the Work Programme in-house to ensure findings feed through more quickly;
- Secondly the introduction of the Work Programme with the new Coalition Government disrupted the impact analysis element; and
- It proved challenging to integrate the JRFND findings with those of the evaluation of the Department's service commissioning approach.

However lessons have been learnt which will be applied in the large scale evaluation of the Work Programme – including ensuring that contractors are better informed of the existing evidence base, doing more research in-house, and ensuring that evaluation briefs achieve more joined-up analysis and reporting.

5 DIFFICULTIES AND CONSTRAINTS

This section explores the difficulties and challenges encountered by the Department in designing and implementing policy evaluations, many of which are common to organisations with similar remits. The Department also shares a series of common challenges with other organisations in providing a robust evidence base to inform policy development and review.

5.1 Contextual and Political Influences

The employment and labour market policy area is particularly dynamic and fast moving, and organisations charged with developing policy must be able to formulate appropriate responses to what can be rapid changes in the external environment.

Consequently the Department faces the challenge of assembling and maintaining an evidence base in an environment where policy decisions must be made at extremely short

¹⁸ 'Breaking the low-pay, no-pay cycle: Final evidence from the UK Employment and Retention and Advancement (ERA) demonstration', Hendra R., J.A. Riccio, R. Dorsett, D.H. Greenberg, G. Knight, J. Philips, P.K. Robins, S. Vegeris and J. Walter, A. Hill, K. Ray and J. Smith DWP Research Summary, 2011

notice – and without sufficient time to commission supporting research. This can lead to frustrations amongst policy leads, senior officials and Ministers that the assembly of useable evidence takes time, and what is methodologically feasible within a limited timescale (it may take three to four years of implementation before impacts can be robustly assessed). However the Department has worked hard to develop a mutual appreciation of both the time required to produce robust evidence of what works and the decision making pressures facing policy colleagues and Ministers in developing policy. This mutual appreciation has been easier to develop within a Department where evaluation is part of its organisational culture.

An additional challenge is posed by the level of ambition of both the current and previous governments on welfare reform. The scale and breadth of the reforms envisaged by the current government, and the introduction of new policies such as the Work Programme and the Universal Credit, mean that the need for evidence to inform decisions has never been greater.

5.2 Financial Challenges

Along with other Government Departments, DWP has had to deal with a reduction in the scale of the financial resources available. Recent measures to address the fiscal deficit have intensified these pressures, heightening the challenge of ensuring best value for money from, and maximising the utilisation of the results of, its investment in evaluation.

These pressures have also focused attention on how the Department can maintain its culture of evaluation within reduced budgetary allocations. This has led analysts to question:

- Whether the approaches followed and methods applied in the past offered best value for money, and whether more could be achieved at less cost;
- Whether more value could be gained by building upon what is already known from previous studies – for example whether sufficient knowledge already exists around aspects delivery which means certain questions do not need to be revisited.
- Whether best use is being made of the considerable amount of management information collected by the Department, and whether there are opportunities for additional data sharing between Departments to enable additional analysis to be undertaken internally.
- Whether all aspects of research have to be contracted out? Increasingly analysts are undertaking short, qualitative research exercises. Benefits appear to be speed of response to policy questions, depth of knowledge of the issues, fast turnaround, and analysts' professional development and satisfaction. It is not clear if there are cost savings from this approach, although it would mean that the cost of research is not coming directly from the research budget.
- Whether there is scope for challenging contractors to deliver more for less. Some interviewees felt that the Department could challenge the contractors that it commissions more robustly – as they described *“being as bold with research contractors as they are with providers”*.

Several of the analysts interviewed also wondered whether the use of large scale quantitative surveys represented good value in times of financial constraint. While some suggested that more could be done with the MI currently collected by the Department. However there was a recognition that such surveys could add value by providing insights at the customer sub-group level, and in collecting information not collected elsewhere.

5.3 Methodological Challenges

Last, but by no means least, the Department also faces a series of methodological challenges common to others evaluating employment and labour market policies. Many of

these have been alluded to above, such as the challenge in meeting the demands of a dynamic and fast changing policy environment, ensuring that existing learning is used to best effect and maintaining an evidence base with reduced financial resources.

The key methodological challenges include:

- Identifying impact – identifying what works, for whom and how is a common methodological challenge. While the Department is at the forefront of new evaluation methods and analytical techniques, and its suppliers include national and international experts, ongoing challenges include:
 - Identifying appropriate methods for assessing impact – particularly net impact;
 - The ability to identify cause and effect, and attribute any effects identified to the policy intervention alone;
 - The availability of appropriate data at the right time to influence decision making; and
 - The cost of impact studies - which may require large sample sizes and significant time periods before impact can be realised.
- Delivering findings within the policy cycle timeframe – the demands of the policy cycle mean that evaluation findings are often required at short notice, creating challenges in the assessment of potential and actual impact as these effects take time to emerge.
- An increased focus on cost effectiveness – in a time of restrictive budgets, there is an increased interest in both the impact of employment policies and the resources required to achieve them.
- Developing a comprehensive intelligence base across an extremely diverse customer base – with the need to understand the Department's customers being key in identifying appropriate interventions to support them.

Several consultees considered that while the Department was strong in terms of its 'short term' research needs, it was less good at longer term research planning to provide a forward view. However it was acknowledged that the Department's focus on the near future, and the dynamic nature of employment and labour market policy, meant that this was inevitable.

6 SUCCESS FACTORS AND TRANSFERABILITY

This review, and other studies referenced previously, indicates that the process of assembling evaluation and other research evidence, and its subsequent use to inform policy within the Department, is effective and represents good practice within the UK. Specific areas of good practice include:

- The quality and standard of evaluation - the Magenta Book, produced by Her Majesty's Treasury, sets out a framework and set of standards for evaluation in Government and sets the context. In the Department there is in effect a specialist evaluation manager role, with evaluation managers being research specialists who are able to add value to the evaluation exercise alongside managing the research process.
- The policy cycle – where programme and project management techniques are used to ensure rigour in the policy making process, linked to political responsibilities, and with a Minister responsible for evaluation.
- Publication – the Department's practice of publishing all its evaluation reports shows a commitment to both accountability and evidence sharing, as well as limiting the potential to 'bury' the bad news and providing external governance through the peer review process.
- A diverse range of external contractors and suppliers - providing the necessary range of policy and technical expertise to undertake evaluations. The supplier base is also of a sufficient scale to enable genuine competition when letting contracts, which enables price competition and stimulates creativity as well as ensuring technical standards are achieved.

This section identifies these areas of effective practice and the factors which underpin them.

6.1 Key Success Factors

A series of elements underpin the Department's approach to evaluation, including:

- A commitment to evaluation and evidenced based policy development at all levels within the Department – a culture of evaluation has been established where evidence of effectiveness is valued and recognised as a core element in the policy development process.
- Relationships with Ministers and the ability to demonstrate the value of the evidence base directly to them – analysts within the Department have worked hard to establish relationships and understandings with Ministers in successive Governments.
- An expectation that all programme activity will be evaluated, and the findings will be used to inform implementation as well as future policy development. While some interviewees questioned whether existing knowledge was sufficient in some areas, this reflected an 'evidence rich' environment which had taken time and investment to develop.
- The level of resource commitment to evaluation – recent cuts in funding allocations notwithstanding, the Department has invested heavily in commissioning evaluation studies and its staff to plan and manage studies effectively. This has included ensuring that the Department has the internal capacity and capability to be an intelligent customer, able to challenge the contractors it works with and to demand the best.
- The positioning of analysts within policy teams was widely viewed as central to effective evaluation, allowing evaluation to be 'built into' policy from the outset, allowing analysts to work alongside and contribute to policy leads, helping ensure that evaluation

specifications are fit for purpose and ensuring that findings are shared and reviewed on a formative and summative basis to influence change.

- The commissioning process – where the Department was at the forefront of the development of research framework approaches within Government, and with the Framework allowing studies to be commissioned and mobilised rapidly from a pool of contractors whose capacities, capabilities and areas of specialism are known.
- The importance of interim findings and a formative approach – to support continuous improvement, which is easier to do when analysts are embedded in policy teams.
- A strong commitment to dissemination – internally and externally - with all study reports routinely being published and data often being made available for third party analysis.
- Independence – the use of contracted resources to deliver evaluation projects helps ensure that the reports produced are independent. While some commentators consider that contracting out does not guarantee independence, the Department's positive evaluation culture and willingness to accept less favourable findings suggests this is rarely an issue.

6.2 Transferability of Lessons

This review has provided a series of lessons and examples of key success factors which are relevant to other bodies charged with developing employment and labour market policies. The degree to which they are directly transferable will depend on a range of contextual factors, perhaps the most important being:

- An appreciation of the value of evidence and a commitment to its use in policy development and review – and an understanding of the accompanying constraints, such as the time required for robust evidence to be collected.
- The availability of resources to fund evaluation research – in terms of funding externally commissioned studies, and the investment required in staff and their development to design, manage or potentially deliver evaluation studies.
- The extent to which an infrastructure and provider base exists if evaluations are to be commissioned externally – as while the use of external contractors can help ensure that findings are independent, this requires a provider base with the necessary range competencies and experience to deliver evaluation studies effectively.

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ANNEX 2: SUMMARY TABLE

The Role of Evaluation in Developing Labour Market Policy
<ul style="list-style-type: none"> • The Department makes a serious commitment to the development and implementation of evidence based policy, where evaluation makes an important contribution to the policy development process. It is widely recognised as exemplifying good practice in terms of its analytical capabilities and use of research and evaluation findings to develop policy. • However in common with other EU countries cuts in public expenditure have constrained resources for research and evaluation, with an increased emphasis on identifying what works, and at what cost, and that investment in evaluation offers good returns. • Evaluation and research findings can be, and are, used by the Department at all stages of the policy cycle, from initial policy conception and formative analysis to ongoing review and summative reporting. • The importance afforded to the role of evaluation is illustrated by the Department's commitment to: evaluating all of its main activities; disseminating the findings internally and externally to maximise value and influence change; and resourcing research and evaluation in terms of funding for studies and staffing resources.
Approach to Labour Market Policy Evaluation
<ul style="list-style-type: none"> • The Department has allocated £16.9 million (€19.3 million) to research and evaluation in 2011/12, £4.3million (€4.9 million) to the evaluation of labour market programmes. This represents a significant reduction compared to previous years, with an increased level of scrutiny where studies costing over £25,000 (€28,500) require approval from the Ministers. • At the time of writing the Department employs over 600 analysts, from a range of disciplines including social scientists, statisticians, economists and operational researchers. Over 100 of these are social scientists, who invest a considerable proportion of their time to the management of evaluation in the Department. • Importantly most of the Department's analysts are embedded in the policy teams they serve – allowing them to work closely with colleagues to inform policy development, 'build in' evaluation from the outset, and ensure that evaluation findings are shared and used. • The Department follows a loosely structured process to develop its annual evaluation programme, which was considered pragmatic given the rapidity of change in the employment and labour market policy area. • The vast majority of the Department's research and evaluation work is commissioned from external contractors, with a Research Framework being in place featuring over 80 contractors. The Framework operates flexibly to ensure studies can be commissioned and mobilised rapidly, from contractors whose capabilities and specialisms are known to the Department.

Using the Results of Evaluation – Impact on Policy

- Structures for sharing and using evaluation are embedded within the Department's policy teams – where the structures in place to manage evaluation studies allowing their findings to be shared rapidly. These structures combine the informal and the formal – from analysts sharing findings informally with policy colleagues to more formal mechanisms like steering meetings and Project and Programme Management Boards. The Department also follows an 'action planning' process to ensure that evaluation findings are considered and responses formulated. The Department also publishes all its evaluation studies, and disseminates their findings with other Departments, through research networks and with specific interest groups.
- The review identified that evaluation within the Department can influence across a range of areas – including on policy design and development; contributing to the body of knowledge on what works in employment and labour market policy; helping support a culture of evaluation; evidencing accountability and showing the return on the investment of public money and providing leverage with programmes with a robust evidence base being likely to fare better in funding reviews.
- Examples of the impact of evaluation on policy development and review were identified, resulting from both small scale process reviews and larger scale impact evaluations. However the examples also illustrated the challenges in providing evaluation findings within the timeframe required to inform policy and operational development.

Difficulties and Challenges

- Like others working in this area, the Department faces a combination of contextual and political, financial and methodological challenges in providing a robust evidence base to inform policy.
- Contextual and political issues include the challenge of developing and maintaining an evidence base in a particularly dynamic and fast moving policy area, where decisions may need to be taken at short notice. The Department has worked hard to develop a mutual appreciation of the time required to produce robust evidence and the pressures facing policy colleagues and Ministers in developing policy. These pressures are exacerbated in the context of the previous and current government plans for welfare reform.
- Financial challenges include making best use of the resources available, particularly at a time of reduced public sector expenditure. This means the challenge of ensuring best value for money is heightened, which has led analysts to question whether more could be achieved at less cost, if better use could be made of the administrative data the Department holds and learning from previous studies, and whether more research could be delivered internally.
- Methodological challenges include selecting appropriate methods for evaluating policy impact (particularly net impact); identifying cause and effect; the availability of appropriate data at the right time; and the cost associated with large and long term impact studies. Other challenges include delivering findings within the timeframe of the policy cycle, and developing a comprehensive intelligence base across an extremely diverse customer base.

Effective Practice, Success Factors and Transferability

- The Department demonstrated several facets of effective practice, reflected in the quality and standard of evaluation produced, the establishment of a professional class of evaluation managers and research specialists, a Departmental commitment to evidence based policy development, a strong commitment to dissemination through the publication of all the research they produce. The Department's approach is underpinned by a series of key success factors, listed below.
- The commitment to evaluation/evidenced based policy development, and an evaluation culture, at all levels in the Department – and the expectation that all policies are evaluated;
- The level of resource commitment to evaluation – in terms of commissioning evaluation studies and in staffing.
- The positioning of analysts within policy teams was key to effective evaluation, which could be 'built into' policy from the outset.
- The commissioning process – with a Research Framework allowing studies to be commissioned rapidly from a pool of contractors whose capabilities are known.
- A strong commitment to dissemination – internally and externally - with all study reports routinely being published and data often being made available for third party analysis.