



Department
for Business
Innovation & Skills

BIS Expert Peer Review Group

**Recommendations for Improving
Evaluation in BIS**

JANUARY 2016

Contents

Foreword	3
Executive Summary	4
Annex A: Commitments from BIS's Evaluation Strategy	9
Annex B: Members of the BIS Expert Peer Review Group.....	11

Foreword

I am pleased to introduce this summary of recommendations from the BIS Expert Peer Review Group on Evaluation.

Evidence-based policymaking depends on timely and accurate analysis, including monitoring and evaluation. The BIS Expert Peer Review Group on Evaluation is a first in Whitehall, and we welcome their constructive recommendations on improving evaluation in BIS, as well as the independent scrutiny they provide on our evaluation reports.

The publication of this report reflects our strong commitment to continuous improvement in the quality of our evaluations. I'd like to express my thanks to the Expert Peer Review Group for their ongoing contribution, and also to the Central Evaluation team in BIS for continuing to ensure the Evaluation Strategy is implemented successfully.



Jenny Bates

Chief Analyst

Department for Business, Innovation and Skills

Executive Summary

Evaluation in BIS

Monitoring and evaluation evidence is an important input into evidence based policies, and it is key to allowing BIS to make better decisions and to deliver the most impact with limited resources.

BIS published a comprehensive Evaluation Strategy in December 2014.¹ This strategy lays the foundations for the fulfilment of BIS's vision for monitoring and evaluation, by improving the coverage and use of evaluations, strengthening governance, increasing analytical capability, and ensuring independent and transparent quality assurance. This report focuses on independent and transparent quality assurance of evaluation findings, so that stakeholders can have confidence in the monitoring and evaluation of BIS policies.

BIS Expert Peer Review Group

The BIS Expert Peer Review Group has two important roles:

1. Help BIS improve the quality of its evaluations by providing advice at key stages.
2. Provide independent, transparent assessment of BIS evaluations and their ability to demonstrate causal impact.

Members of the peer review group have a range of specialist skills in order to cover the wide array of elements involved in policy evaluation. Areas of expertise include: data collection and statistics; impact evaluation techniques; cost effectiveness and cost benefit analysis; complex evaluation and spatial economics.

The independent panel is now firmly established, and has already made a significant contribution to improving the quality of evaluation in BIS. The reviewers have commented on approximately forty papers. These have been a mixture of invitations to tender (ITT), scoping reports, draft reports, internal proposals and preferred bids.

Recommendations to BIS

The purpose of this report is to capture key recommendations from the external panel of independent experts, in order to provide an overview of common areas where BIS could strengthen evaluation further. The panel were asked;

¹ Department for Business, Innovation and Skills (2014) Evaluation Strategy. Available at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/387507/bis-14-1295-evaluation-strategy-2015-16-accountability-and-learning-at-the-heart-of-bis.pdf

What are your top 5 recommendations for improving evaluation in BIS?

These recommendations will be considered on an ongoing basis, and as part of the refresh of the evaluation strategy in 2017; some of them are already reflected in BIS's future plans. The broad themes covered by the peer reviewers' recommendations are summarised below. Each is followed by a short summary of what BIS is currently doing to address the issues identified.

Policy design and planning evaluations

A number of the external experts recommended that BIS needs to do more to consistently embed evaluation in the policy design process.

In terms of specific steps to address this, peer reviewers promoted the use of theory based approaches and logic models as a building block to good quality evaluation design, and suggested that they need to be used to a greater extent. It was stated that having a clearer description of the mechanisms by which the policy is intended to work would give evaluators much greater scope for identifying proximate indicators of a policy's success.

Several peer reviewers recommended that policy objectives should be further clarified. By more clearly defining success, BIS can encourage external evaluators to produce more focused reports. This ultimately increases the effectiveness of evaluation in helping direct resources away from interventions that are ineffective, towards those that might help. Reviewers stressed that BIS should ensure scheme objectives to be evaluated are sufficiently holistic. For example, they should take suitable account of issues such as additionality². The distinction between impact and economic evaluation was also highlighted as being crucial, and infrequently referred to in BIS evaluation reports.³

BIS's vision, as outlined in the evaluation strategy, is that by 2020 all BIS and Partner Bodies policies and programmes are fully monitored and evaluated in terms of their performance on the ground. Further to this, all new policies and programmes should scope the options for impact evaluation as part of policy development, so that policies are designed in a way which allows for testing before roll-out and robust attribution of causal impact.

A number of positive steps have been taken towards achieving this. BIS has systematically reviewed the evaluation coverage across all major policy areas to identify areas of under-coverage and potential improvement. BIS was the first in Whitehall to publish evaluation plans and gaps, an updated version of which will be

² An impact arising from an intervention is additional if it would not have occurred in the absence of the intervention.

³ A reliable impact evaluation might be able to demonstrate and quantify the outcomes generated by a policy, but will not on its own be able to show whether those outcomes justified that policy. Economic evaluation is able to consider such issues, including whether the costs of the policy have been outweighed by the benefits.

published in early 2016, and will continue to be published on an annual basis. BIS has also improved its internal business case processes, by more strictly enforcing the requirement for all spending proposals to consider how the implementation will be monitored and evaluated, at the outset.

Collection, organisation, and use of monitoring data in evaluations.

A broad theme from peer reviewers was that BIS should focus on making much better use of secondary data, and seek more active involvement with the data collection exercises of other departments. It was highlighted that maximising the use of various administrative datasets that can provide outcome measures will reduce the cost of evaluation. Reviewers acknowledged that there are practical obstacles in achieving this.

It was also suggested that BIS may want to exploit less traditional data sources in order to complement some evaluations. For example, data freely scraped from websites, or accessed from online platforms.

A key recommendation emphasised by the reviewers is to ensure, where possible, some form of control group with which to estimate the counterfactual of what would have happened in the absence of the policy. Stronger evaluation is often only possible when plans are made at the design stage of the policy to collect data on the individuals/firms not participating in the policy programme.

Reviewers recommended that BIS could make more data available externally to allow opportunities for further analysis. It was suggested that resource spent by BIS on facilitating access to data by external researchers is likely to yield a large research dividend.

BIS acknowledges that good data underpins good evaluation. Good monitoring data will strengthen accountability in all areas of the Department's work and allow policy adjustments on an ongoing basis.

Improving monitoring systems is a key focus in the Evaluation Strategy. Relevant commitments include establishing a central repository of administrative and monitoring data, and ensuring that systematic and consistent records of application, appraisal and selection processes are held centrally. This work is still at an early scoping stage, and presents a number of challenges. However, if these work strands can be implemented successfully, they will bring a number of benefits. For example, the dataset will allow analysts to identify businesses that have received multiple forms of BIS business support, and to more robustly control for the effects of receiving multiple interventions.

Further to this, the Evaluation Strategy sets out an action to reach data sharing agreements with other Government departments. There is already a substantial amount of ongoing effort in this area. BIS is generating valuable new insights by matching its data to existing datasets. For example, BIS has commissioned work on

a matched database, bringing together Vocational Education training history and matching this to employment and earning histories – providing new and robust value for money estimates for different levels of qualification.

Transparency and completeness of technical reporting

Transparency of technical detail was a key concern of the peer review panel. Reviewers made clear that all evaluation reports should include a detailed technical appendix, in order to allow the findings to be properly assessed. It was noted that in some BIS evaluation reports, steps in the analysis were not reported in sufficient depth.

Reviewers also recommended that BIS should report more than the overall mean impact of a policy intervention, and include discussion of the variation in impact sizes, where possible to do so. This can provide important information on the distributional impact of the policy under consideration.

Whilst the provision of sufficient technical information is clearly important, reviewers also noted that there is a balance to be achieved between rigour and readability in final reports.

A final suggestion is to make evaluations available to wider scrutiny by presenting evaluation and peer review material on a more systematic basis. This may facilitate greater engagement with interested parties, and may provide opportunities for BIS to collect insights from evaluation experts who are not formally involved.

BIS acknowledges the importance of transparent and complete technical reporting. BIS aims to ensure that all draft reports sent for formal peer review, are of publishable quality, and include full and comprehensive technical annexes.

BIS encourages external contractors to supply all coding and programming files produced as part of the research, and is currently investigating how to implement this on a more systematic basis. The BIS research and evaluation framework specification includes the following guidance for contractors; “Data and documentation to be delivered to the UK Data Service and prepared according to UK Data Service guideline”.

The BIS Evaluation Strategy sets out an action to open up more of the Department’s data to external approved researchers in order to encourage the academic community to work with the Department in developing its evidence base.

Overall quality of analysis

The introduction of the use of experimental methods such as randomised control trials into several BIS policy areas over recent years was welcomed by the peer review panel. The panel suggested that the feasibility of an RCT approach should

more regularly be investigated, and that ideas could be generated in collaboration with external stakeholders.

A further suggestion was that BIS needs to think more about what and when to evaluate and how to feedback from evaluation to policy design. Reviewers suggested that BIS needs to develop more evaluations that assess 'what works better'. This would help policymakers understand policy design in detail, and understand impact channels.

BIS is committed to utilising strong research designs, such as RCTs, where feasible. This is most clearly demonstrated by the Growth Vouchers Programme – the largest Randomised Controlled Trial of business advice ever conducted. The opportunity to consider introducing trials to test the effectiveness of policy pilots is considered systematically in the policy development phase and a number have been introduced, with more anticipated in 2016 onwards.

It is clear that progress has been made: one reviewer stated that “there is no doubt that the quality of BIS evaluations, in terms of internal validity, has improved in recent years and the number using more robust research designs, including RCTs, has increased.” It was also highlighted that not only is peer review likely to improve the quality of the evaluations being commissioned, particularly in terms of their design, but it is also likely to make a marked difference to the credibility of BIS evaluation and research.

Annex A: Commitments from BIS's Evaluation Strategy

Evaluation coverage and embedding findings into policy

1. The central evaluation team will maintain a database of all evaluations and their findings.
2. All business cases (and eventually impact assessments) will be required to give due consideration to monitoring and evaluation, by setting out the current evaluation evidence underpinning the proposal and outlining monitoring and evaluation plans, including whether it is possible to deliver the initiative in a way which allows comparison with a robust estimate of the counterfactual.
3. Local teams in each policy area will prepare evaluation plans on a yearly basis to ensure coverage of all key policies. These will be published annually.
4. Core BIS will strengthen its links with Partner Organisations over monitoring and evaluation.
5. The central evaluation team will diagnose barriers and develop proposals to encourage a strong and safe culture for evaluation, feedback and learning within BIS, proposals will be implemented over the next 24 months.

Structure and governance

6. Senior Analysts will be held to account by the Chief Analyst for the comprehensiveness of monitoring and evaluation within their areas (for spend, savings and regulation).
7. To help embed monitoring and evaluation in programme management, the central evaluation team will provide Senior Responsible Officers monitoring and evaluation guidance about what they should do and who they should contact.
8. BIS will set up an Evaluation Methodology Group to oversee evaluation in BIS and report to Senior Analysts.
9. The central evaluation team will carry out and continue a series of focused reviews for each policy area in BIS every 6 months, assessing both the coverage and quality of monitoring and evaluation in that area, and report findings in six-monthly notes on evaluation which are sent to all Directors.
10. BIS will establish a senior level Policy Monitoring and Evaluation Board which will report to BIS's Performance, Finance and Risk Committee in time for its review of BIS's evaluation evidence ahead of Spending Review discussions.

Capability

11. BIS will carry out regular skills audits on evaluation techniques and provide yearly training opportunities to increase and maintain analytical knowledge and capability within BIS to conduct and commission evaluations.
12. BIS will set up a network of internal experts on advanced evaluation methodologies. The network will hold monthly surgeries and will be deployed to contribute to projects that use complex evaluation techniques.
13. BIS will launch a cross cutting data project to enhance our monitoring, and thus evaluation, capability.

Independent, transparent quality assurance of BIS evaluations

14. BIS will appoint an external peer review group of independent experts on evaluation, to contribute at key stages of evaluation projects and peer review all of our outcome evaluations before publication
15. BIS will ensure that publications are accompanied by summary sheets capturing key impact evaluation data and cost-effectiveness information from the evaluation. These summary sheets will be peer reviewed by the external panel
16. BIS will ensure that publications include detailed and transparent technical annexes, and where possible, publish the underlying data to allow further and future independent scrutiny of our work by external researchers and enable later use of the data (for example in longitudinal studies).
17. An annual report with recommendations by the external peer review panel of independent experts will be prepared to provide an overview of common areas where BIS could strengthen evaluation further.
18. BIS will extend and strengthen the expert panel to ensure it is able to cope with the expansion of its workload.

Annex B: Members of the BIS Expert Peer Review Group

Dr Edward Anderson, University of East Anglia

Hasan Bakhshi, Nesta

Dr Maren Duvendack, University of East Anglia

Professor Mark Hart, Enterprise Research Centre, Aston University

Professor Peter Lynn, University of Essex

Dr Steven McIntosh, University of Sheffield

Pamela Meadows, NIESR

Professor Henry Overman, London School of Economics

Professor David Torgerson, University of York

Professor Anna Vignoles, University of Cambridge



© Crown copyright 2016

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3 or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gsi.gov.uk. Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication available from www.gov.uk/bis

Contact us if you have any enquiries about this publication, including requests for alternative formats, at:

Department for Business, Innovation and Skills
1 Victoria Street
London SW1H 0ET
Tel: 020 7215 5000

Email: enquiries@bis.gsi.gov.uk

BIS/16/99