

Karl King, Consultant, Databuild Research and Solutions Ltd, shares lessons learned in developing and implementing a harmonised approach to assessing the impact of Defra's resource efficiency delivery activities in England.



Karl King

## Harmonising impact assessment across delivery organisations

### Introduction

The title of the 2010 UKES conference, *evaluation in a turbulent world*, could well have included the strapline – *informing policy making in times of austerity*. The biggest cuts in public spending in decades have left officials in government departments and agencies across the UK under more pressure than ever to establish the most cost effective ways of achieving their overarching objectives. Never before has the need for them to understand and explain how each and every pound they spend contributes to the outcomes they desire been so pressing and, consequently, never before has their need for effective and efficient evaluation been so great.

As evaluators, the current climate is both daunting and exciting at the same time. On the one hand, we are faced with a period of uncertainty and instability where the clients that remain appear to need a whole lot more for a whole lot less. On the other hand, the current climate presents us with challenging new research questions and an excellent opportunity for creativity, innovation and breaking new ground in research and evaluation practice.

The work we have conducted over the last two years in collaboration with WRAP and Defra provides an interesting and pertinent case in point as it illustrates how a policy decision to streamline activity – a decision predating the current public spending cuts by almost three years – stimulated innovation in evaluation.

### Context

Defra has a policy objective to achieve sustainable, resource efficient patterns of consumption and production in England. What this means in practice is that Defra wants individuals and organisations throughout England to *use natural resources in the most effective way, as many times as possible, while minimising the impact of their use on the environment* <sup>[1]</sup>. There are a variety of fiscal and regulatory policy instruments that create incentives for people and businesses to adopt resource efficient behaviour, including the Landfill Tax escalator and product standards regulations. These go some way towards helping Defra to achieve their policy objective; however, additional work is required to stimulate and enable the market to respond to these incentives – and that's where the delivery activities come in.

Prior to 1<sup>st</sup> April 2010, Defra provided funding to seven separate delivery programmes<sup>i</sup> to provide advice and support to businesses, consumers and the public sector in the drive towards a resource efficient, low carbon economy. During the budgetary planning process for 2008/09, Defra decided that it was an appropriate time to undertake a review of the *delivery landscape*<sup>[2]</sup>; they wanted to consider the coherence, efficiency and effectiveness of the seven delivery programmes in detail and assess whether there were opportunities and scope for streamlining. The review concluded that all of the activities undertaken by the seven delivery programmes should be consolidated into a single delivery body, led by WRAP.

But Defra didn't stop there; they also saw an opportunity to harmonise impact assessment across all of the delivery organisations. Knowing that we had considerable experience in evaluating the impact of many of the delivery activities, Defra commissioned us to:

1. Review how each delivery programme that was operational at the time evaluated its impacts
2. Recommend an approach for future evaluations<sup>[3]</sup>.

## **Establishing Defra's evaluation needs**

As a first step, we held discussions with Defra staff to establish clear objectives for future evaluations. It soon became clear that Defra felt that existing approaches to evaluation were not providing them with as much evidence as they ideally wanted to make informed policy decisions. There were two issues in particular:

1. Each programme had its own approach to evaluation, so it was difficult to compare performance or establish which programmes were the most cost effective means of achieving the desired outcomes
2. The impact of each programme's activities was reported to Defra in a different form, so it was not possible for Defra to identify which activities specifically were leading to the reported impacts in a way that enabled activity-by-activity comparisons to be drawn.

With these concerns in mind, we conducted a detailed review of each programme's approach to evaluation and the impact data they had provided to Defra in the years prior to the review. Our work led us to conclude that establishing the impact of the resource efficiency delivery activities – whilst simultaneously satisfying Defra's need for better information about value for money – required a different way of thinking about impact assessment.

## **Developing the new approach**

Perhaps the most significant limitation of the approaches to evaluation adopted by the delivery organisations prior to the delivery landscape review was that they were primarily backwards-looking, ex-post assessments. Having reached the end of the financial year, the central research questions were to establish what changes members of the target audience had made *in that year*, the impact of these changes (in terms of the resulting financial and

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<sup>i</sup> WRAP, Envirowise, the National Industrial Symbiosis Programme (NISP), the BREW Centre for local authorities, Action Sustainability, the Centre for Remanufacturing and Reuse (CRR), and the Construction Resources and Waste Platform (CRWP).



environmental outcomes) and the degree to which the impacts could be *attributed* to the work of the delivery programmes. However, there were four key problems with this approach in addressing Defra's needs:

1. To establish value for money, Defra needed to quantify the impact of the work undertaken by the delivery programmes in a *given financial year*. However, many of the evaluations undertaken at the time were designed to look at the impact of actions undertaken by members of the target audience in the year in question, *regardless of the exact year of intervention*. This meant it was not possible to match the outcomes established in the evaluations with spend and effort in a particular year
2. Establishing the true return on investment requires an assessment of the total *lifetime* impacts of actions taken by beneficiaries of Defra funded advice and support in the year in question. However, whilst this was established for some activities, most evaluations concentrated on quantifying the impacts *in the first year only* and then applied a standardised set of factors to estimate the total impacts. There was nothing particularly wrong with the logic of this approach, but the evidence base for the lifetime factors used at the time was limited. This meant it was difficult to say with confidence whether estimates of the total impact of the delivery programmes' activities were accurate, conservative or inflated
3. Each programme adopted a different approach to establishing the extent to which the impacts could be *attributed* to their work – some were assessed by an independent third party whilst others made little attempt to tackle this question. To enable comparisons between delivery activities to be made with confidence required the assessment to be conducted both consistently and independently
4. The impact of some activities was not assessed at all. In some cases this was because the activity was considered to play a supporting rather than impact generating role, in others it was because the impact of the activity was considered too difficult to assess or because the cost of doing so outweighed the benefits that would be obtained.

To address these issues, we proposed that Defra and WRAP should adopt a new way of thinking about impact and develop a new framework for future evaluation comprising:

1. A model to forecast the likely outcomes of their engagement with the target audience in a given financial year
2. A programme of impact assessment and verification work to confirm assumptions in the model and fill in knowledge gaps
3. A study to establish the lifetime outcomes of actions taken by members of the target audience to improve resource efficiency.

We proposed that the new approach should be implemented as a five stage process involving:

1. Establishing the activities undertaken in the financial year in question
2. Collating activity and impact data collected in the course of delivery
3. Undertaking primary research to fill in the gaps and verify data captured by the delivery organisations
4. Populating the model to produce an impact forecast for each activity
5. Determining the total impact across all of the activities, taking care to avoid double counting, for example where more than one delivery activity had supported the same organisation in the target audience.

From the outset, we envisaged that the principal output of the new approach to be a tool that would be used to support policy decision making by:



1. Providing a forecast of the likely lifetime impacts of work undertaken by delivery programmes in a given year, along with the cost of delivery to enable return on investment to be established
2. Offering some support for scenario modelling, allowing Defra and WRAP to explore the potential impact of increasing or decreasing the level of activity in particular areas
3. Enabling Defra and WRAP to explore the extent to which delivery body activity delivered the desired outcomes as opposed to other market forces and regulatory and fiscal policy (such as the Landfill Tax Escalator and product and service standards regulations)
4. Highlighting where delivery body activity is most effective in helping Defra to achieve its policy objectives.

We were subsequently commissioned to implement the new evaluation framework to quantify the impact of activities undertaken in 2008/9 and 2009/10.

## **Implementing the new approach**

Our presentation at the 2010 UKES conference centred on the challenges we faced in implementing the new approach. It is important to remember that all of this was happening at the same time as the streamlining of delivery activities; budgets had been cut and the announcement had been made that, by 1<sup>st</sup> April 2010, all of the delivery programmes would be consolidated and operated by WRAP.

The key stakeholders each had a role to play in ensuring the success of the new approach:

### **The Policy Department**

As the policy department, Defra played two vital roles in the success of the new approach. The first crucial step was to recognise the need for change in the first place; it was important for them to articulate their vision for the role of future evaluation and what they needed to make good policy decisions.

The next was that Defra recognised how challenging it would be in practice to implement the new approach to evaluation. From the outset they recognised that the scope of the project was ambitious and that the model would need further refinement as the delivery landscape evolved – innovation and creativity requires space and time to think and experiment and Defra provided just that.

### **The Delivery Bodies**

At one extreme, stakeholders within the delivery bodies were wholly supportive of the new evaluation framework, fully engaged with its fundamental principles and even made suggestions about how the methodology could be refined. At the other, we initially encountered significant resistance to change and scepticism that the new approach would work or add value to their activities. Some of this resistance was of course understandable; given the budget cuts and the situation some stakeholders were facing at the time, assisting us in finalising the new approach to evaluation was significantly lower on their list of priorities than managing the transition process.

For the new evaluation framework to work, we required each delivery programme to explain what activities had been undertaken in the financial year in question, what they

were intended to achieve and what was already known about the impacts of those activities. We also required them to share data with us about who within their target audience had been supported and how (as far as this was possible given confidentiality agreements). Each delivery programme had a different approach to recording data so representatives from the delivery bodies also had an important role to play in helping us to understand this data so we could undertake an effective evaluation.

### **The Consultant**

As the consultants responsible for developing and implementing the new approach to evaluation, we clearly had an important role to play in:

- Designing and building the model
- Identifying the information gaps and areas where verification was required
- Developing a programme of primary research that could be used to address this
- Implementing the proposed research programme
- Analysing the data and reporting to Defra and the various stakeholders involved in the process.

However, there were several other roles we were required to play in ensuring the success of the new approach; these included:

1. Championing the approach throughout the course of the project
2. Assisting WRAP's evaluation team to communicate the new approach to stakeholders and generate buy-in
3. Being sufficiently flexible to respond to the needs of the work as they arose; for example, some of the data required for verification took more time for the delivery bodies to compile than had initially been anticipated
4. Liaising closely with both Defra and WRAP to ensure that the resulting tool was fit for purpose
5. Keeping a close eye on the direction of future government policy and suggesting ways in which the evaluation framework could add value in the years ahead.

We produced a prototype tool in Excel to quantify the impact of approximately 50 resource efficiency delivery activities funded by Defra in 2008/9; a more comprehensive body of work was then undertaken to assess the impact of the 70+ activities funded in 2009/10. In addition to the work undertaken to develop and improve the prototype tool, the 2009/10 study comprised two significant pieces of primary research:

1. A study comprising over **2,000 quantitative telephone** interviews to assess the impact of a range of activities and approximately **100 qualitative interviews** to verify impact data captured during the course of delivery by the delivery organisations
2. A research project to inform the development of an evidence based forecasting mechanism; this involved exploring whether actions supported by the delivery organisations in the past were still being taken and whether and how the outcomes had changed over time – had they shrunk, grown, stayed the same and why.

The prototype model was subsequently revised and populated with data we had collected from delivery teams and gathered during the primary research. Once this task had been completed, meetings were held with those responsible for each of the delivery activities to sense check and validate the data included in the model prior to finalising the outcomes.

## So what did we learn?

Undertaking any exercise of this magnitude leads to useful insights. Here are a few observations that we drew from our experience of developing a harmonised approach to impact assessment for Defra and WRAP:

### **Paradigm shifts don't happen overnight**

The new approach embodied a paradigm shift in evaluation methodology – moving from primarily ex-post (backwards-looking) evaluation to a blend of ex-post and ex-ante (forward-looking/forecasting) techniques to establish a best estimate of the impact of each delivery activity. All delivery organisations involved had established an approach to evaluating their impact over a number of years. However, none were evaluating their activities in precisely the way that the new evaluation framework required. Management of change is complex enough when the end goal is clear, and the path towards it tried and tested; yet, the new methodology was itself innovative and experimental, requiring us to respond throughout to challenges that made it difficult to put theory into practice, such as dealing with the many and various ways information had been captured by the programme teams during the course of delivery.

Paradigm shifts of this scale take time; we encourage anyone intending to undertake a similar exercise to build in scope, whether explicitly or implicitly for:

1. Delivery to take more time than anticipated at the outset – things like this always take longer than you think
2. Not getting things right first time – the more ambitious the transition, the greater the need to establish realistic expectations from the outset about what can be achieved and by when.

### **There's no silver bullet**

All evaluations are subject to limitations. Whilst the new evaluation framework is a big step forward in allowing Defra to explore and understand the relative effectiveness of different methods of delivery, it certainly does not provide them with a silver bullet solution which removes the need for the expert policy maker. All tools of the kind we have produced for Defra and WRAP are reductionist in the sense that they take a complex real world situation, select what are considered to be the most important factors influencing the dynamics of the market and adopt some assumptions about what might happen in future, thus reducing it to a particular set of scenarios. Each aspect of this process is subject to a degree of uncertainty, and some aspects of it are subject to more uncertainty than others.

Furthermore, a cursory glance at the outputs of such a tool does not tell the whole story. Taking an example from the tool, whilst activities undertaken to raise awareness and interest in resource efficiency may have some impact independent of other activities, their most significant impact is often the role they play as a first step of engagement with the target audience, encouraging them to contact WRAP for advice or support in changing their behaviour. The cost of awareness raising activities may be large and the impacts they have in their own right might be small, but that doesn't mean they should be considered poor value for money if they play a central supporting role for other activities.

What the tool we have produced *does* do however is provide stakeholders with a way of exploring how and where delivery body activity adds value in a way that was simply not possible before the new framework was implemented. The tool, of course, is only one of the sources of information available to the policy maker in making tough decisions. It should be seen as just one of many tools at Defra's disposal in unpacking the complexity of influencing how people behave in a dynamic world. Just as a spirit level makes the task of putting a shelf on the wall considerably easier, you still need a wall, a drill, a shelf, some screws, a screwdriver and a sense of where you want it to be!

### **Don't underestimate the need for stakeholder engagement and buy-in**

The importance and difficulty of obtaining buy-in from all of those with a stake in the evaluation should not be underestimated. As much as it may seem to us as evaluators that a new approach provides a win/win outcome for all involved, it's extremely unlikely that change will please everyone – there are always some winners and some losers. Furthermore, the changes in evaluation methodology are unlikely to be as high a priority for stakeholders as they are for us.

Dealing with this requires patience, as a lack of clear understanding about stakeholders' needs and expectations will only lead to conflict and scepticism about the reliability and usefulness of the results at the end of the process. We were lucky enough to be told from the outset that we weren't expected to get everything right first time; others might not be so lucky.

### **You can't necessarily get more for less, but you can get better for less**

In many respects, the new evaluation framework does provide stakeholders with something more than was available in the past – it has established a consistent approach to evaluation across Defra's delivery activities and provided a much greater level of insight into the impacts of particular activities and value for money.

However, in consolidating impact evaluation spending into the forecasting model and reducing the **total** amount spent on impact assessment across the delivery activities, there are some areas where less has been obtained than under the previous approaches. For example, fewer interviews were conducted with members of the target audience in total than before the change. Whilst care was taken to focus the resource in a way that minimised the uncertainty surrounding the largest impacts, the change in methodology did mean, for some activities at least, that the overall impact estimates were less robust.

It would be naïve for government departments and agencies to expect to spend less on evaluation and get everything that they had before plus more on top. But that is not to say it is unreasonable for them to achieve something *better* than what they had before. We would argue that whilst the new evaluation framework adopted by Defra and WRAP has provided them with less in some respects, these losses are by far outweighed by the benefits obtained from harmonising the approach across the entire delivery landscape.

### **Innovation brings rewards**

The new approach to evaluation is a big step forward for Defra and WRAP. It would have been easy to conclude in 2008 that overhauling the impact assessment methodologies and aligning them with the needs of policy makers was simply too big and too risky a task to undertake. However, fortune favours the brave, and we believe the new evaluation

framework is an example of what can be achieved when policy departments, delivery bodies and evaluators work together to innovate.

## Concluding remarks

The work we have conducted to date for Defra and WRAP has both proven the concept of the new evaluation framework and begun to provide insights about the impact and influence of WRAP's activities, including some that had not previously been assessed, such as the WRAP website and helpline. It has also illustrated how activities that are very cost effective for achieving particular outcomes (such as diverting material from landfill) are not necessarily the most cost effective means of achieving other outcomes (such as a reduction in carbon dioxide equivalent emissions).

However, there is still more work to be done in embedding the new approach to evaluation. Over the coming months, work will be undertaken to validate the attribution methodology, establish how and whether to increase the sophistication of the prototype tool which is currently Excel based and further fine-tuning of the methodology to ensure that stakeholders can draw comparisons between delivery activities with confidence. Work will also be required to align the new approach with WRAP's forthcoming business plan, which is currently in the process of being finalised.

We strongly believe the new evaluation framework we have developed in collaboration with WRAP and Defra could be adopted more widely to simultaneously assess the impact of delivery programme activity and provide insight that can be used to inform future policy making. We encourage other government departments and agencies to take a leaf from Defra's book and see the budget reductions as an opportunity to maximise the value they obtain from their impact assessments. There will certainly be less money in total to spend on evaluation, but departments and agencies should resist the temptation to compromise on quality as they cut back, perhaps by simply sticking with the same old methodologies and reducing sample sizes or choosing a cheaper supplier.

Evaluation can play a pivotal role in shaping how the economy recovers over the coming years by helping decision makers to select the most appropriate, cost effective means to achieve the government's policy objectives. Delivering efficient and effective evaluation will however require policy makers, programme delivery teams and evaluators to work together more closely than ever before. For now, we look forward with relish and anticipation to the challenges that lie ahead, but, whatever happens, the extent to which we are able to collaborate may be fundamental to future success; *we're all in this together* [4].

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*The views and opinions expressed in this article are the author's own and do not necessarily reflect those of WRAP (Waste & Resources Action Programme) or Defra (Department for Environment, Food and Rural Affairs).*

## About Databuild

Databuild Research and Solutions Ltd specialises in providing research-based consultancy to government and the public sector. We have particular expertise in the evaluation of policies, programmes and projects related to resource efficiency, waste management, environmental policy and climate change, especially those targeting organisations in the private, public and third sectors. We also have significant experience of conducting research and evaluation of business support programmes and local government and planning organisations. For further information about Databuild, please visit <http://www.data-build.co.uk>.

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