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WORKING PAPER 2

Investing in Evidence:

Lessons from the UK Department for Environment, Food and Rural Affairs

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Executive Summary

In 2004, the UK's Department for Environment, Food and Rural Affairs (DEFRA) designed and implemented an Evidence Investment Strategy (EIS). This was an innovative attempt to understand what was really needed for a government department to implement an evidence-informed approach to policymaking.

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Since then, the process has been repeated twice; each time the approach has been further embedded within DEFRA and across its network of linked organisations. The history of the EIS contains many lessons for others trying to adopt a similar evidence-informed approach to policymaking. This case study summarises the lessons learned over the past decade.

The three EIS processes have helped DEFRA ensure that budgets and staff are aligned to deliver an evidence base that helps it achieve its policy priorities. They have improved the evidence base so that it is sufficiently broad to cover the complex environmental issues DEFRA deals with and address both short- and long-term priorities effectively. The processes have been open and transparent, helping improve relationships between DEFRA and its stakeholders.

An EIS involves the entire department so that it delivers value for money across the whole spectrum of departmental policymaking. DEFRA is a large and complex department with multiple stakeholders. Each EIS set off wide-ranging changes in the way DEFRA sourced, handled and used evidence, however it took more than one attempt to develop a robust and repeatable process.

Developing and implementing an EIS requires a department to make a series of conscious choices about:

- which types of evidence are needed now and will be needed in future;
- how to prioritise and budget for those needs;
- how to work with external stakeholders to procure the evidence needed;

- how to broker the evidence into policy so that it is used effectively;
- how to ensure that internal capability and capacity is sufficient to perform all these tasks.

An evidence-based approach to policy-making is truly embedded when it is an integral part of departmental business planning processes and where there is a clear relationship between evidence budgets and program budgets. The EIS processes were led by senior management who communicated the benefits of an EIS both internally and externally.

All three EIS have been based on four principles. The first is that evidence for policy must respond to policy goals and priorities. This means that the evidence base needs to be scoped and managed by policy teams and evidence specialists together; it is not something that can be assigned to a separate team or organisation. Second, policy needs to recognise a range of different types of evidence: statistical data, research, stakeholder and citizen perspectives and evidence from monitoring and evaluation. As well as 'facts', the evidence base includes evidence of the uncertainties, risks and ambiguities inherent in a changing policy environment. It needs to pay particular attention to the complex inter-relationships between the environment and society. Third, an effective investment in evidence balances short-term needs with long-term priorities. Evidence is needed to ensure statutory monitoring requirements are satisfied, to respond to ministerial (shorter-term) priorities, and to deliver value in the long term by helping policymakers explore future opportunities, risks and uncertainties. Finally, delivering value from the existing evidence base means a commitment to re-analysing evidence that already exists. In the context of downward pressure on public budgets, it is as important to do this as it is to commission new evidence. An EIS process has helped DEFRA understand how well it is able to address all these needs within current resource limits.

Underpinning these four principles is a commitment to making the evidence base transparent. All policy issues will have a range of stakeholders and a range of views on what evidence is needed and how it should be prioritised. Involving them in developing the evidence base and publishing an evidence strategy document is not only good governance, it enhances wide buy-in to what can be a complex endeavor.

Good governance of the evidence base ensures that both internal and external stakeholders are able to openly discuss what evidence already exists and what evidence is needed to help address policy priorities. DEFRA's commitment to transparency in the first EIS process saw it open up its entire evidence base for public discussion. This was the first time a department had done this and it was well received by external evidence providers. As the third EIS covers DEFRA and its wider network of organisations, a different balance needs to be sought between its commitment to transparency and its need to retain some confidentiality about working priorities and budgetary allocations.

Over the past ten years, a small core group of staff has continued to learn from one EIS to design and implement the next. Each EIS has raised issues about how the department allocates budgets and staff resources to balance the issues of evidence quality, value for money and relevance to departmental policy goals and priorities. DEFRA currently has tight budgetary control by a central evidence

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directorate and policy teams that define what constitutes policy-relevant evidence, and has embedded evidence specialists who sit within policy teams but report to the central directorate. This seems to balance the three issues effectively. While external consultants were needed to support the central team for the first EIS, the third iteration is now an entirely internal and self-generated process.

Since the late 1990s, the movement promoting evidence-informed policy has gathered strength, however there has been very little practical guidance for government departments to help them understand how to implement it. DEFRA's three EIS processes have attempted to do just that; balancing short- and long-term priorities, value for money, staff capability and capacity and changing resource levels. Its consistency of approach over the past decade has helped it develop a robust and repeatable process based on principles that are applicable to other policy areas. The EIS is now a routine part of DEFRA's approach to evidence-informed policymaking for the foreseeable future. This case study contains a wealth of lessons for other policymaking departments wanting to improve their use of evidence.

Figure 1: DEFRA's organisational landscape. This is known as 'The DEFRA Network'. Source: DEFRA, 2014b (p 10).

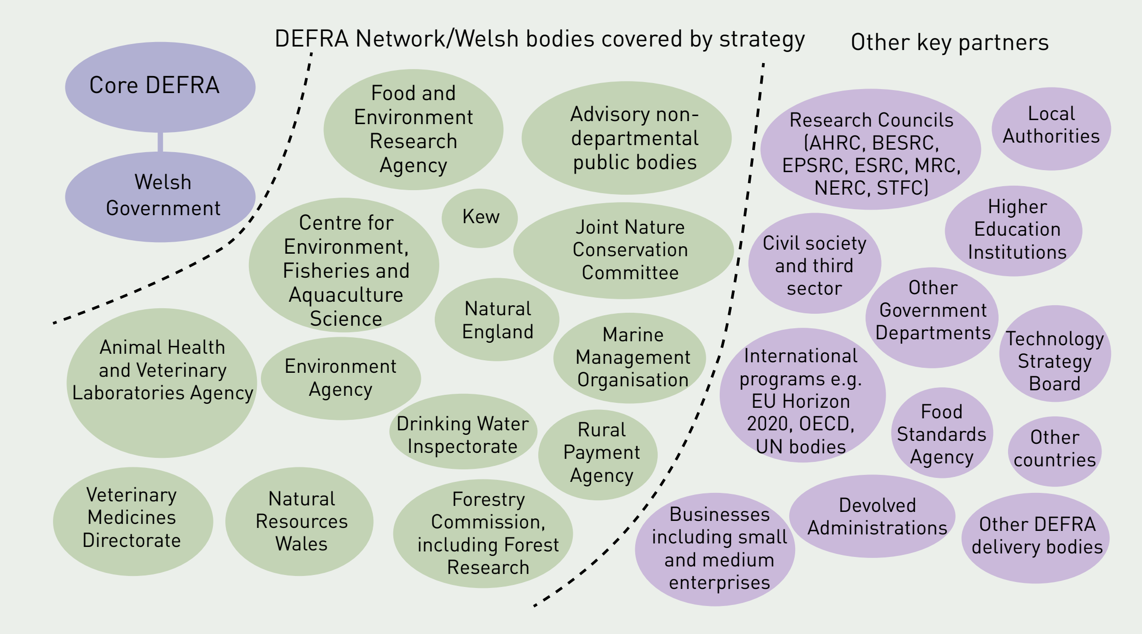

Table 1: Rationales for evidence and types of evidence required.
Source: Harrison & Shaxson, 2006.

A-G heading	'Big questions'	Rationales for evidence needs	Types of evidence required
A: Understanding the context; fundamental processes and phenomena, baselines and benchmarks	Where are we now?	• To gather and analyse available / new data • To evaluate risks, issues and uncertainties	• Reviews of existing knowledge • Surveys of social and environmental data • Research on causality • Risk assessment
B: Development of models, methodologies and tools	Where are we going?	• To understand current drivers and trends • To predict future drivers and trends • To assess implications for policy outcomes	• Sensitivity analysis • Horizon scanning • Forecasting and scenarios • Modelling impacts and outcomes
C: Developing and using the evidence base to help set targets and formulate policy	Where do we want to be over the next 5-10 years?	• To understand the economic / social value of change • To understand the feasibility / cost of change • To negotiate goals	• Economic and social research • Deliberative engagement processes • Feasibility and pilot studies • Market surveys
D & E: D: Development and appraisal of options/ solutions E: Optimum decisions and effective implementation through communication, engagement and consultation to influence change	How do we get there?	• To identify / evaluate current options • To identify / develop new solutions • To evaluate new / old options	• Option / evaluation studies • Regulatory impact assessments • Interventions to promote innovation
F & G: F: Monitoring progress towards policy/ program targets G: Policy/program evaluation	How well did we do?	• To monitor progress • To evaluate policies & programs • To learn lessons	• Interdisciplinary evaluations • Deliberative evaluation processes

Figure 6: Graphical Presentation of Evidence Needs. Source: DEFRA, 2005.

Understanding the evidence needs for policy

A. Understanding the context - fundamental processes and phenomena, baselines and benchmarks

B. Development of models, methodologies and tools

C. Developing and using the evidence base to help set targets and formulate policy

D. Development and appraisal of options/ solutions

E. Optimum decisions and effective implementation though communication, engagement & consultation to influence change

F. Monitoring progress towards policy/ program targets

G. Policy/ program evaluation

Energy supply (including CHP)

Evidence

Collection and analysis of national energy statistics and information on changes in behaviour relating to energy use

Analysis of the good quality CHP capacity in the UK

Energy statistics across all sectors made publicly available

Evaluation of the effectiveness of policies in reducing emissions (will be funded in the future)

Collection and analysis is of national and international energy statistics on coal, oil, natural gas, electricity and heat and corresponding information on nuclearpower generation

Development and use of robust indicators produced from statistics to analyse and explain factors behind changes in energy demand, energy use and CO2 emissions

Establishing emissions inventories that cover all sectors

Analysis of key coupling between energy use, energy prices and economy activity (for DTI to fund)

Conducting ex-post cost assessments of new technologies after they have been adopted and are in use

Extending emissions inventories to local authority and regional levels

Collecting information on how renewable energy sources are used in the energy supply

Development to a flexible and transparent model to produce robust projections of future energy emissions in all sectors. Extending these projections by local authorities and regions

Assessment of the behavioural responses and effects on reduced emissions and changed business practices of the Emissions Trading Scheme

Information

Development of the understanding of the technical/technological potential to reduce emissions from different subsectors

Development of energy efficiency technology cost curves that identify tehnical costs as well as economic and hidden costs

Business (industrial and commercial)

Evidence

Determining energy consumption measures and emissions information for different business activities and establishing the relationship between the two

Energy statistics across all sectors made publicly available

Gathering information on policy impacts on business planning, decision making and operational procedures and processes

Collecting of energy consumption and efficiency data for Climate Change Agreements from business and industry

Energy efficiency indicators developed for the industry/ service sector