

Yorkshire Forward and Economic Development

Learning Legacy Module 2

Research, Intelligence and Evaluation



The Region's
Development Agency

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Executive Summary

This module considers the lessons learned by Yorkshire Forward and its regional partners in their development and use of intelligence derived from research and evaluation.

The RDA's research, intelligence and evaluation functions covered a range of discrete but interlinked activities. These activities were carried out by:

- Yorkshire Forward's Chief Economist Unit (CEU)
- Yorkshire Futures
- City and Sub-Regional Analysts
- Office for National Statistics (ONS) regional presence staff
- Yorkshire Forward's Evaluation Team

The work of each team evolved over time to respond to changing needs. The evidence base available to the RDA became increasingly sophisticated and was acknowledged to be 'robust' by the National Audit Office in their review of 2010. This chimed with external partner perceptions, where Yorkshire Forward's intelligence work and capacity were often highly rated.

Key lessons emerging from reviewing RDA experience are that:

- a) **Organisational commitment** at a senior level is essential in order to ensure intelligence activities are adequately resourced and evidence is applied in decision making.
- b) Where intelligence is procured from third parties, **joint commissioning** can be effective when organisations share intelligence needs. **Panels** or framework contracts can also reduce costs and improve quality.
- c) **Evaluation plans** need to be developed from day one of an organisation's existence. It is easy to neglect evaluation in the early stages of organisational and project development. But progressing evaluation strategy after programmes have commenced leads to problems – as do shifting central government expectations.
- d) **Monitoring** the state of an area over time is important for making informed policy decisions. Indicators need to be carefully chosen and cover social and environmental as well as economic factors.
- e) **Integrated intelligence** pays dividends - combining a strong core economic intelligence capacity with ability to build knowledge and links into wider fields beyond it helps to develop rounded priorities and plans for implementation.
- f) A **range of types of intelligence** help to go beyond assessing and monitoring an area's performance. Econometric modelling and wider futures analysis assist planning and can grab the attention of senior and media audiences. 'What works' research to assess how best to deliver an identified need is hard to do, but can aid cost effective delivery. Focusing in on specific areas aids its application.

- g) **Effective engagement** with partner organisations is essential at all stages of the research process, from identifying needs and commissioning work to dissemination of the final products.
- h) Research and intelligence functions have to continually **review their role** as organisations' needs change and new sources of intelligence become available.
- i) It is possible to have multiple agencies or departments within them all undertaking or commissioning similar research. Establishing **clear lead roles, co-ordination mechanisms and good communication** within and between agencies is important.
- j) **Good dissemination of findings** is essential, both internally and externally. Dissemination must be properly planned and resourced and use a range of methods that reach decision makers as well as practitioners – accessible summary documents and events can help to reach the former audience.

1. Task and Purpose

The Regional Development Agencies (RDAs) were launched at a time when 'evidence-based policy making' had gained considerable currency in the UK (Nutley et al 2007). It is therefore unsurprising that research and intelligence formed a significant strand of Yorkshire Forward's activities since its establishment in 1999.

Intelligence can be derived from (primary and secondary) research, monitoring, evaluation, modelling, policy analysis and analysis of private and public sector data sets. Yorkshire Forward's investment in the development of regional intelligence was based on the presumption that good intelligence can help to:

- Identify the key **issues** faced by the region
- **Design** projects and programmes to meet identified needs, based on what is known to work
- **Prioritise** resources
- **Learn** from experience
- **Improve** delivery of interventions
- Understand and evidence the **impact** of interventions
- Be **accountable** to regional, national and local stakeholders
- **Monitor** change in the region
- Anticipate **future** change and prepare accordingly

Good intelligence is essential for good decision making. However, the relationship between intelligence and resulting actions is a complex one that is rarely articulated, documented or evaluated. Hence, it is difficult to assess objectively how successful an investment in intelligence resources has been. Nevertheless, it is possible to identify examples of what appeared to work well for Yorkshire Forward, and what lessons can be learned by organisations committed to developing effective evidence and intelligence in future.

2. Approaches Adopted

Yorkshire Forward's first Regional Economic Strategy (RES) (2000-2006) drew heavily on a 'state of the region' report produced in 1999 by Leeds Metropolitan University, but remarked on the paucity of available intelligence about the Yorkshire and Humber economy. By the time the second RES (2003-2012) was published, the situation had improved considerably; so much so that the executive summary of the RES proclaimed it to be an 'evidence-based strategy'. The final RES (2006-2015) showed a still greater commitment to evidence, stating Yorkshire Forward's aspiration to be at the forefront of intelligence and evaluation activity in the United Kingdom.

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- Office for National Statistics (ONS) regional presence staff
- Yorkshire Forward's Evaluation Team

In describing Yorkshire Forward's approach to intelligence, and how that approach has changed, the activities relating to each team's work are considered in turn. However, this underplays the extent of cross team working that took place in the development and delivery of intelligence assets.

Chief Economist Unit (CEU)

CEU Activities Summary

Developing an **evidence base** to support the development of Yorkshire Forward strategy programmes and projects.

Commissioning and managing **primary research** including:

The **National Business Survey** – a twice yearly national survey of businesses commissioned on behalf of all England's RDAs

Sponsoring questions on the **Axiom National Opinion Poll** – a household survey with around 1 million respondents

Stakeholder and staff surveys – annual surveys of all staff and key stakeholders

Ad hoc **commissions** on specific issues, usually in partnership with other Yorkshire Forward teams

Developing and applying **economic modelling** tools, principally the Regional Econometric Model (also known as the Integrated Forecasting Framework).

Producing **briefings** on a range of topics including the impacts of recession, the changing labour market, impacts of public sector cuts and profiles of each local authority area – briefings are for a range of audiences including the Yorkshire Forward Board, government departments, elected members and policy makers at a range of spatial scales.

Development and maintenance of a **Geographic Information System** (GIS) tool – supporting mapping of key data sets and beneficiary data.

Sourcing evidence from other private and public sector **data sets** – such as company databases, forecasts and information bulletins.

The CEU was part of the Yorkshire Forward Strategy Directorate. It was initially known as the Research and Intelligence Team, and then briefly as the Research, Intelligence and Evaluation Team, before becoming the Chief Economist Unit with the appointment of a Chief Economist in 2007 (initially Simon Foy, then Patrick Bowes who had also led the team in its previous Research and Intelligence guises since Yorkshire Forward's inception).

The approach taken by CEU to regional intelligence became increasingly sophisticated over time. Notable developments during the lifetime of Yorkshire Forward include:

- Advancements in modelling, progressing from a basic economic model to an integrated forecasting tool that also modelled skills needs and environmental impacts.
- The use of data sets originally developed for commercial audiences, such as Acxiom's National Opinion Poll and Banksearch (see figure 1) alongside official government data sources.
- A greater role in co-ordinated procurement of services and research on behalf of a number of partners in the region (e.g. licences for use of Acxiom geodemographic data; Banksearch data) and co-ordinated procurement across a number of RDAs (e.g. the National Business Survey).
- Leading on the integration of beneficiary monitoring data with GIS systems to show the geographical location of people and businesses supported by the RDA.
- The economic downturn increased the demand for regular and timely economic briefings from the Yorkshire Forward Board, the Department for Business, Innovation and Skills (BIS). and other stakeholders.
- A raised profile of activities both internally and externally, and an increased acknowledgment of the importance of evidence. This was seen particularly in the attention given to the findings of the staff and stakeholder surveys, and also the increasing amount of emphasis placed on making a robust economic case for RDA interventions.

Even though the CEU took a lead on commissioning major pieces of research for Yorkshire Forward, other Directorates, on occasion, commissioned pieces perceived as necessary for their area of work. The level of involvement by CEU in this research was variable. This led to situations where CEU staff felt that work commissioned by other Directorates was either not of the highest quality or duplicated information already available. Towards the end of the life of the RDA a 'sign off' process was introduced, whereby CEU had to give approval for all Yorkshire Forward research commissions.

The decision to give CEU greater control over research activities was consistent with the growing influence held by the team. In the latter years of Yorkshire Forward, it appears that the Chief Economist was more able to question and influence policy decisions than in earlier stages in the organisation's development. This is likely to be partly because of a growing awareness of the importance of evidencing economic impacts on the part of decision makers, and partly a recognition of the increasing quality and robustness of the intelligence held by CEU.

Despite this increasing influence, a proposal to have a documented research strategy, linked to the needs of the RES and Corporate Plan was not adopted. It is not clear whether this undermined research and intelligence development in any significant way. Much of the CEU's work was in reality reactive. The team responded to evidence requests to support local partner needs (e.g. to develop funding proposals or economic masterplans); provided data to help guide the response to the recession (see module 3: response to economic shocks); and undertook economic appraisal work to help shape and make the case for major projects undergoing government appraisal. Longer term work to support strategy was on top

of this choppy and often demanding backdrop. Whilst fast turnaround work created its own challenges, the ability to respond to this and genuine efforts to assist teams within Yorkshire Forward and external partners helped the CEU to build a very positive reputation.

Resources available to the CEU and impacts of the team's work are considered further in the Resources, Results and Outcomes section. Two examples follow here, a case study on use of local area data and an illustration of the sort of local authority level data analysis the CEU were able to provide (figure 1).

Case Study: Acxiom's National Opinion Poll



A gap was identified in Yorkshire Forward's evidence base in terms of small area data to enable Yorkshire Forward and its partners to understand household economic circumstances at community levels. The data provided via Acxiom's National Opinion Poll (NOP) filled that gap.

From a relatively small beginning in 2002 with a request for income data, Yorkshire Forward developed the service provided by Acxiom Ltd into a full online Geo-Demographic system benefitting public sector organisations across the region.

Examples of how this simple requirement grew into an essential data source include:

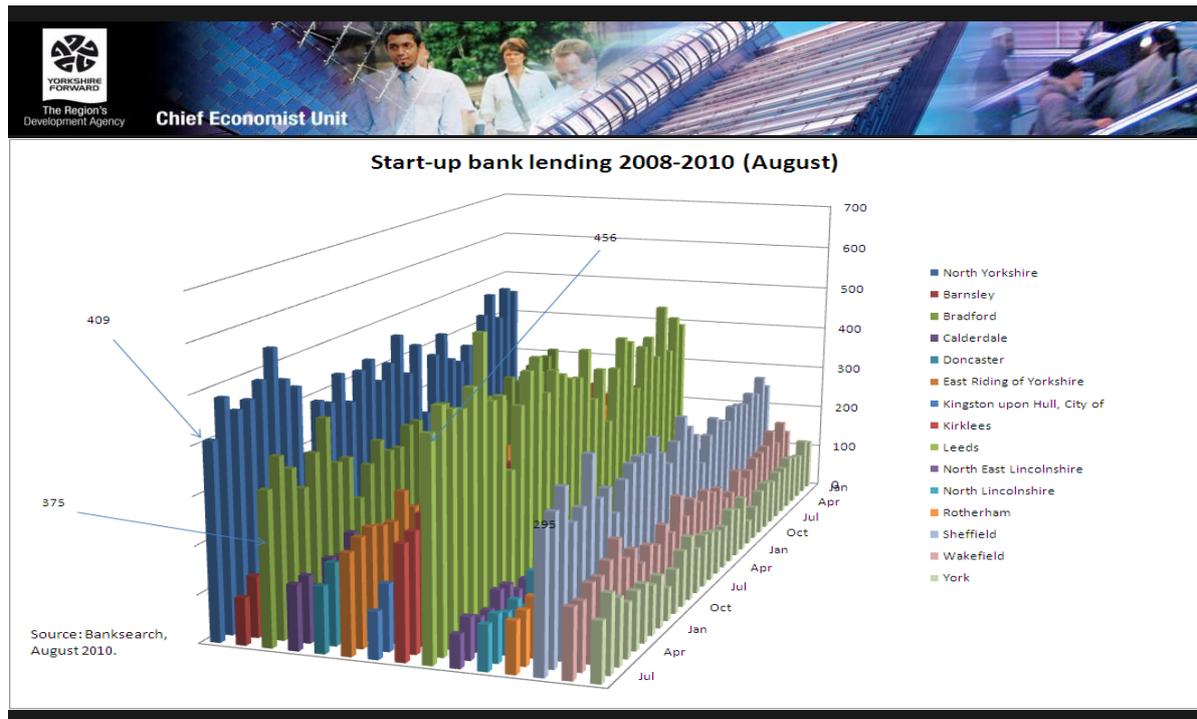
Work carried out to identify potential attendees of Business Link Enterprise Shows through identifying business owners and people thinking of starting a business, and also modelling 'look-alikes', and inviting them to the show. The success of this project was evidenced by the increased attendance at the show, where 14% of attendees received this targeted communication.

Another research project investigated the association between how far people are willing to travel to work and skill level, providing evidence that workers with higher qualifications will travel further for employment. This work has been used and reused countless times to demonstrate a trend that had been acknowledged anecdotally but was difficult to evidence up to that point.

The NOP data has also been used in conjunction with other datasets such as the National Business Survey where CEU were able to investigate business skills needs and household skills supply, and identify where mismatches could be found.

Public sector organisations have been able to purchase a license to access the NOP web portal, usage of which has grown year on year from 2008 to 2010 with a high of 73 users across the region at the end of 2010, with an average monthly usage of 140 sessions. Benefits identified by these users include: *"The whole partnership approach and making available this valuable resource. Direct support has also been good – thank you."* and *"Good range of data that cannot be obtained easily from other sources at low level geographies."*

Figure 1: Extract from a CEU Briefing Presentation using Banksearch Data on Lending



Yorkshire Futures

Yorkshire Futures was one of a network of regional observatories in England. It was primarily funded by Yorkshire Forward, and was legally part of the RDA. However, it was overseen by a steering group drawn from a range of partner organisations.

The need for a regional intelligence function was identified in the first RES (2000-2006). This was largely the result of the experience of assembling intelligence to inform the RES and RDA activity. Helpful university-led regional intelligence work was progressing (linked to the Regional Review publication, edited by John Stillwell of Leeds University) but it was apparent that a different scale and type of economic intelligence was needed too. The first RES specifically set out the need for a partnership based 'Virtual Regional Intelligence Unit' (focused on monitoring and benchmarking) and a 'Futures Team' that would be "*made up of the region's brightest minds to anticipate change*". The monitoring function was advanced first as a core role for the embryonic Yorkshire Futures. It proved harder to progress the 'Futures' element, and it was not until 2006 that Yorkshire Futures took this on with gusto.

The regional observatories had different remits and structures in each region. Some were integral to the RDA's research team; others were stand-alone units or network organisations. In Yorkshire and Humber it was decided that Yorkshire Futures should remain part of the RDA but establish its independence via branding and a separate steering group. This had the advantages of facilitating close links to CEU (who provided a great deal of the economic intelligence disseminated via Yorkshire Futures) and providing organisational support services such as finance and IT. The separate identity of Yorkshire Futures was seen as important in establishing it as an independent, partnership-based organisation. However, the 'partnership' did not stretch to partners making substantial financial contributions – Yorkshire Forward covered around 90% of costs, with the Regional Assembly the only other funder.

Yorkshire Futures Activity Summary

yorkshirefutures

Providing **information and intelligence** about the region, for the region, to improve decision making and better prepare us for a sustainable future.

Developing and maintaining a **website** that provides access to:

The **What Works** database – a searchable library of case studies, evaluations and research

Progress Live – a tool displaying key indicators for local authority areas in the region on an interactive map

Progress in Pictures – a pictorial record of change in the region

A calendar of **events** in the region

Publications by Yorkshire Futures and partners – including newsletters, e bulletins and the Regional Review journal

Microsites - hosting websites on behalf of organisations in the partner network

Data resources purchased or developed by CEU – such as the Regional Econometric Model and Acxiom data (see above)

Producing an annual **Progress in the Region** report – showing how the region is changing using a core set of economic, social and environmental indicators.

Designing, commissioning and disseminating a **programme of research** – focusing on topics that are of policy relevance and fill evidence gaps.

Co-ordinating intelligence across sub/city regions.

Communications activities – including a high-profile annual Progress in the Region launch event.

Delivering a programme of **futures work** – exploring long term issues facing Yorkshire and Humber.

After its launch in 2001 an initial focus of Yorkshire Futures' work was on Labour Market Intelligence. This was mainly due to exploiting available funding sources, as well as the skills background of Yorkshire Futures' first manager (Mike Bridge). Developing partnership working and the website were priorities in the early development of the observatory.

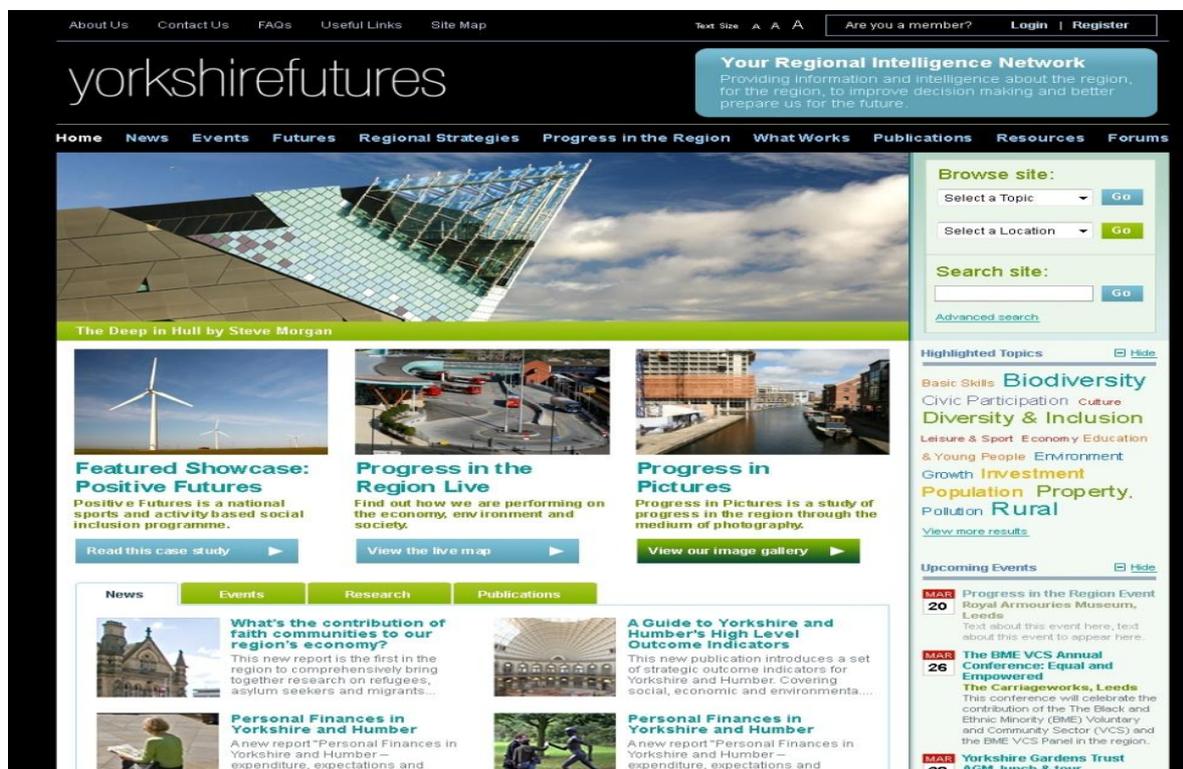
Partnership working was particularly apparent in the annual 'Progress in the Region' monitoring report. This series began in 2001, initially produced by the RDA's Strategy Team (which included what was to become the CEU). A key early decision was to structure the document into four main sections covering Business Competitiveness, Workforce and Skills, Quality of Life and Inclusion, and Environment and Infrastructure. That went far wider than Yorkshire Forward's core agenda and essentially housed an economy component within a

wider sustainable development framework – something that would characterise Yorkshire Future’s evolution and distinguished it from the more singular economic focused of CEU.

When Yorkshire Futures took on the task of producing the document, a new approach was adopted with partner organisations contributing chapters relating to their area of work. This increased the complexity of the production of the report, but encouraged partnership working across the region (see case study) and made it better owned and better informed.

Another early aspect of Yorkshire Futures’ work that gained in profile, complexity and value over the years was its website. This was designed as a shared resource that other partners (including Yorkshire Forward) could use to broadcast and share their intelligence and data. Initially this focused on core reports and monitoring data, but by 2005 it was making the CEU’s economic model and local area data resources available to partners. It also housed ‘microsites’ for other agencies which saved them from having to establish their own websites at significant cost, and further brought agencies and information together.

Figure 2: Yorkshire Futures Website



Case Study: Progress in the Region

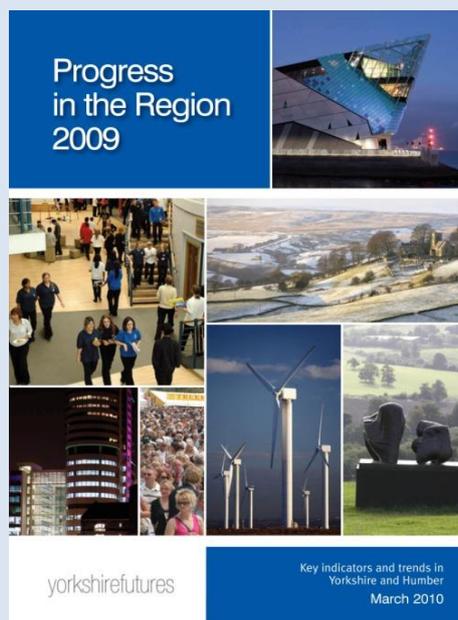
An annual 'Progress in the Region' publication was produced from 2001 to 2010. This reported on a range of indicators covering economic, social and environmental change in the region. Indicators were compared to other English regions and previous trends.

The choice of indicators tracked in the report changed over time to reflect policy priorities. In some policy areas, new composite indicators were developed as a proxy for change in multi dimensional regional characteristics such as quality of life.

Progress in the Region drew on the expertise of many contributing authors and reviewers from across the Yorkshire Futures partner network. These included Yorkshire Forward, Environment Agency, Local Government Yorkshire and Humber, Learning and Skills Council, Yorkshire and Humber Public Health Observatory, Office for National Statistics and Audiences Yorkshire. Progress in the Region was cited in the 2003 and 2006 Regional Economic Strategies as a key source of information.

In latter years, Progress in the Region was supplemented by Progress Live (a GIS tool where indicator data was updated quarterly) and 'Progress in Pictures' (a pictorial record of change). From 2006 onwards it identified 'landmark issues' where the region faced persistent challenges. These helped its findings to be communicated and to gain traction. They were regularly picked up by the media (including Yorkshire Post front pages) and used to form the basis of 'Challenge Issues' in the Assembly's Integrated Regional Framework.

From 2004 to 2009, Progress in the Region was launched at an annual event that secured high profile key note speakers (including prominent local MPs such as Ed Balls, Ed Miliband and Yvette Cooper) and a mixed audience of decision makers and practitioners. The events were consistently well attended (200+ delegates) and proved invaluable in raising the profile of the work and of Yorkshire Futures.



As Yorkshire Futures developed (and with Les Newby's arrival as Director in 2005) , more emphasis was put on establishing the 'What Works' database, commissioning original research, communication and futures activities.

From the start, Yorkshire Futures had a remit that extended beyond economic issues, encompassing social and environmental development. In some ways this was a strength, in that it recognised the holistic nature of regional development; in other ways it may have led to a lack of focus. Narrowing attention onto a few key topics may have had a greater impact as more could have been invested in engaging with policy makers and follow up activities.

During the lifetime of Yorkshire Futures, information technology advanced significantly. Websites, data repositories and web-based data analysis facilities became far easier to set up and maintain. This increased the chance of duplication and overlap between what was offered by Yorkshire Futures and other organisations.

This potential for duplication, along with a constantly evolving regional institutional environment, meant that Yorkshire Futures had to continually review its role and how it could best add value to the region. Maintaining a clarity of vision was very important.

Yorkshire Futures' added value was particularly apparent in its development of intelligence around future scenarios. Understanding future trends is important to public, private and voluntary sector organisations, but falls outside the remit of any one body. In its focus on futures, Yorkshire Futures provided 'space for conversations' as well as research reports considering both the future in the round and particular issues such as the implications of the ageing population. Work on 'The Future of Yorkshire and Humber: trends and scenarios to 2030' in 2008 attracted considerable decision maker and media interest. It brought together issues such as climate change, energy prices, inequalities, population, and demands for skills and land, and was presented to senior audiences including in local government, the police and the voluntary sector. It succeeded in reaching a wide audience and raising awareness of future issues, but it is not possible to tell to what extent it influenced policy.

City and Sub Regional Analysts

City and Sub Regional Analysts Activities Summary

Providing an **evidence base** to support the development of policy in each of the city/sub regions of Yorkshire and Humber.

Producing an annual **Progress in the City/Sub Region** report – showing how the area is changing through monitoring the 'Progress in the Region' indicators at a sub regional level.

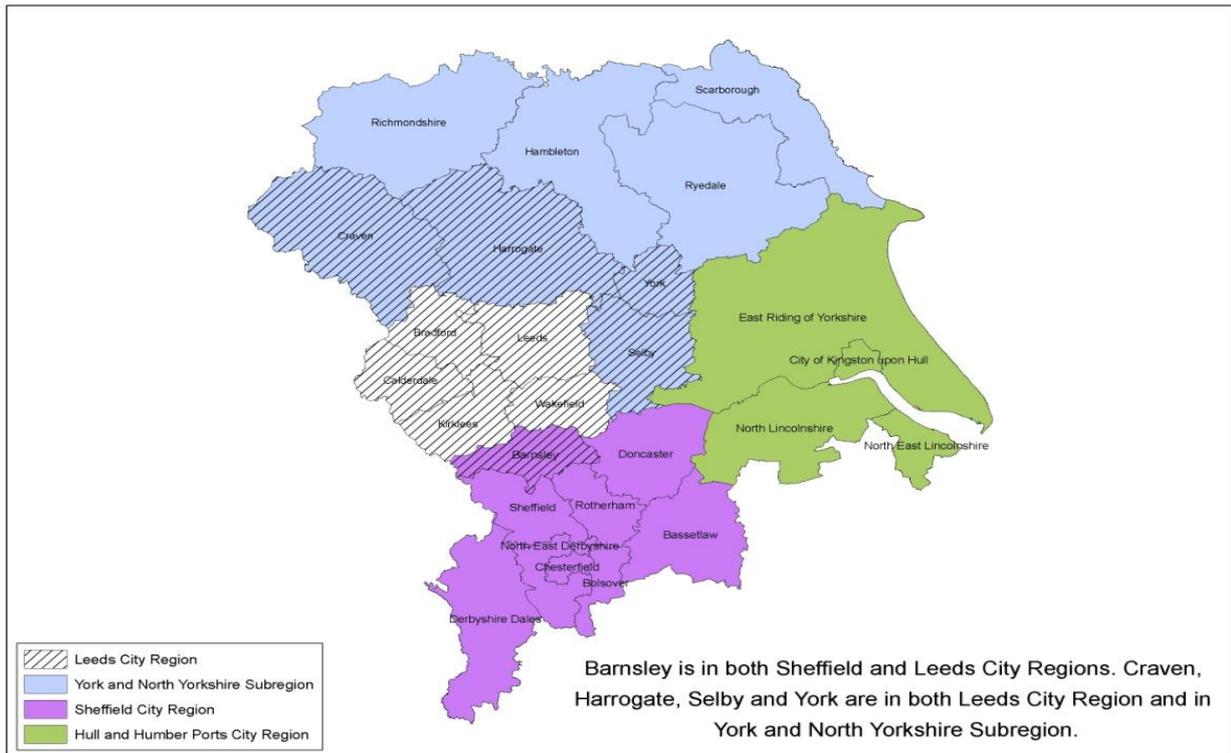
Producing **bulletins and briefings** to a range of stakeholders.

Co-ordinating research activities across the sub region and **sharing findings**.

Working with other City/Sub regional analysts and **Yorkshire Futures** to co-ordinate research activities across the region and share findings.

Yorkshire Futures allocated part of its funding to support research capacity in each of the city/sub regions of Yorkshire and Humber. Initially, this work took place at a sub regional geography (South Yorkshire, West Yorkshire, North Yorkshire and Humber). This changed to a city region based approach in 2006 (Sheffield City Region, Leeds City Region, Hull and Humber Ports City Region, York and North Yorkshire Sub Region).

Figure 3: Yorkshire and Humber City and Sub Regions



Case Study: Humber Economic Partnership (HEP):

Engaging with Businesses



In Hull and the Humber Ports City Region, much emphasis was placed on communicating intelligence to the business community. Business focused activities included:

- A yearly high-profile programme of Business Week events, attracting internationally known speakers
- Regular market intelligence e-bulletins
- Dissemination through well designed and branded publications

HEP embraced social media as a potential approach to engagement and dissemination, creating 'Henry the Humber Bug' on Facebook, Twitter and LinkedIn.

The change to geographic boundaries presented challenges to the research analysts gathering data on the new city region geographies, as these did not fit well with existing administrative boundaries (apart from the Hull and Humber Ports area, where the city region boundary was consistent with the Humber sub region boundary).

Organisational structures and priorities evolved differently in each city/sub region, as did the roles of the research staff. All areas produced annual Progress in the City/Sub Region reports, but other activities were tailored to local demands. These demands changed over time – with the focus switching to working with Local Enterprise Partnerships in the period following the 2010 General Election.

ONS Regional Presence

ONS Regional Presence Activities Summary



The core tasks assigned to the ONS Regional Presence staff were to:

Work with the RDAs and partners on **collaborative projects**

Provide a **first point** of ONS contact for users within regions

Provide **independent advice** to regional users on the use of ONS and GSS (Government Statistical Services) statistics including on technical issues, such as the use of statistics in monitoring performance against targets

Provide access to **Inter Departmental Business Register (IDBR)** data for RDAs and to provide access to wider ONS / Government data to RDAs and their partners

To facilitate provision of **training** to regional partners (e.g. on economic statistics)

Quality assure final estimates of regional GVA

To **assess**, or assist in the assessment of locally commissioned / locally held data

Gather intelligence to help **improve the quality of ONS data** and processes. To assist with problems for suppliers of data to help improve response rates

To **advise ONS** in its decision-making by feeding views through from regional bodies

To help **improve the quality of IDBR** and business survey data, which will feed through to regional GVA

The Allsopp Review of 2004 recommended ONS staff being located in the English Regions. Two ONS statisticians joined the Yorkshire Forward CEU in 2007. The regional presence was funded by the RDAs, with the work to be done by the statisticians outlined in a service level agreement. The specific activities of each region's statisticians were adapted to meet regional needs. In Yorkshire and Humber, the largest elements of the statisticians' workloads were working on collaborative projects and providing advice to users on use of government statistics.

Case Study: Working with the ONS to Improve the RDA National Business Survey

The RDAs, led by Yorkshire Forward, commissioned a twice yearly survey of businesses, in order to provide essential information about the performance of firms in each region and the issues they were facing.

In 2008, the robustness of the survey was improved through working with the ONS Regional Presence team.

ONS Regional Presence staff had access to the Inter Departmental Business Register (IDBR). This is a register of UK businesses based on VAT registrations, PAYE records and company registrations. ONS used the information on IDBR to help the RDAs in developing a robust sample frame for the survey (conducted by MORI). When the survey responses were obtained, they were also able to assist with weighting the responses by employment numbers and sector.

The RDAs did not have access to IDBR and had previously had to rely on less detailed publically available sources of company information. Hence, through joint working the RDA was able to produce higher quality and more reliable primary research.

Evaluation

When RDAs were established, they were given very little guidance as to what was expected by central government when it came to evaluation of projects and programmes (see for example, stage 6 of the Single Programme Appraisal Guidance, DTI 2003). By 2004 it was recognised by the RDA that a more considered approach was needed, so an evaluation manager (Bea Jefferson) was recruited by Yorkshire Forward and an evaluation strategy designed. Whilst it was one of the earlier RDAs to significantly increase its evaluation capacity and investment, the decision to do so was still some years into the RDA's life and had required a strong case to be made internally. In hindsight, it would have been better to invest in evaluation much earlier so that more project spend and prioritisation activity could have gained from evaluation insights. The evaluation function sat within the Strategy Directorate at Yorkshire Forward – in some other RDAs, evaluation was seen as part of performance management/finance directorate remits.

Evaluation Team Activities Summary

Developing and leading on the implementation of an **evaluation strategy** for Yorkshire Forward (single pot and ERDF funded activities).

Developing **evaluation plans** for Yorkshire Forward funded projects and programmes with project development managers and partner organisations.

Reviewing project proposals – for adequacy of evaluation plans and application of learning.

Commissioning independent evaluations of projects and programmes.

Procurement of a **panel** of evaluation specialists.

Training and awareness raising activities.

Carrying out **internal evaluations**.

Disseminating evaluation findings through published reports, summaries, events and briefing sessions.

Important aspects of the first evaluation strategy were that it:

- Set criteria for assessing whether a project required independent, external evaluation
- Introduced an internal evaluation process through ‘project learning reviews’
- Encouraged evaluation during the lifetime of projects as well as at the end of a project
- Put in place mechanisms for disseminating learning from evaluation.

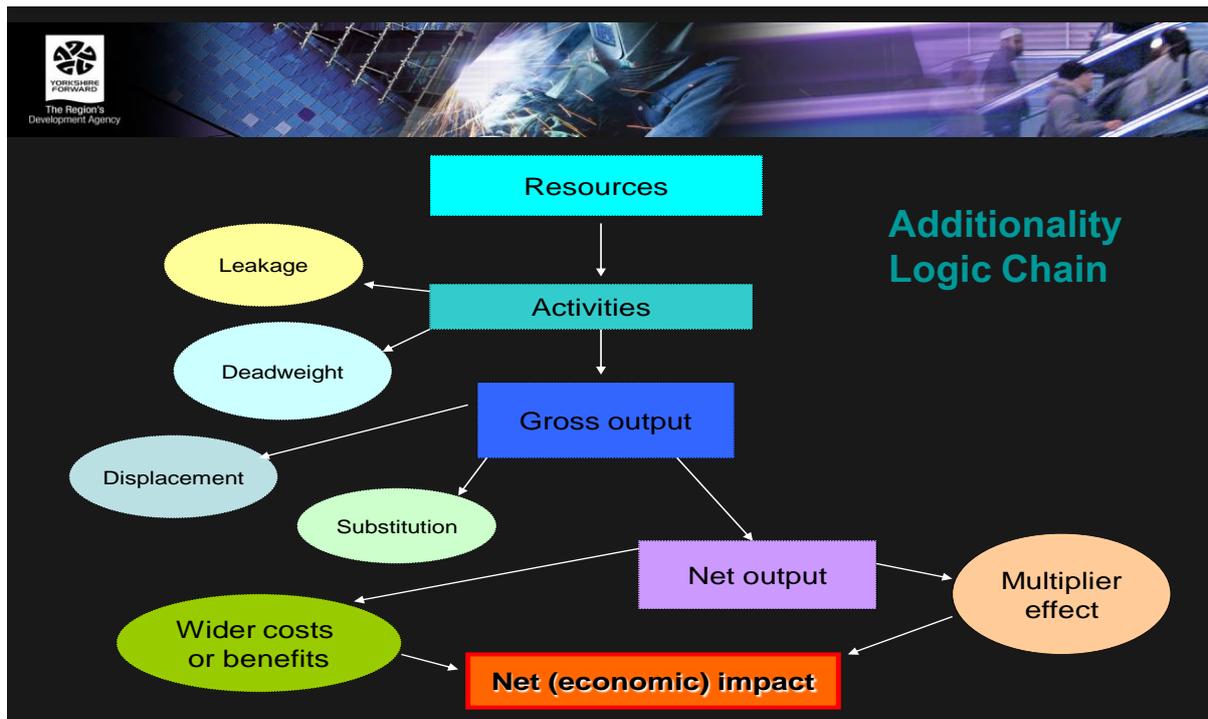
Unfortunately many major projects were started prior to the strategy being adopted. This led to issues over evaluation requirements for these projects not being clear with project managers and partner organisations and practical difficulties with budgets not being set aside for evaluation. Over time, as the evaluation team was more able to contribute at a project design stage, evaluation planning became more effective.

The Evaluation Team provided a central source of expertise independent of project delivery. This separation was particularly important when commissioning evaluations from consultants in ensuring that high quality standards and independence were retained throughout the evaluation process.

Initially, the evaluation approach focused very much on the role of evaluation in learning lessons for the future. This had to be reassessed in 2006 with the publication of the ‘Impact Evaluation Framework (IEF)’ (DTI 2006) by central government. This provided far more detailed guidance than previously to RDAs, and emphasised the importance of evaluation being used to quantitatively assess net economic impacts of interventions (see figure 4).

A new strategy was issued in 2006 that took account of the IEF and changes to the way RDA performance was measured, particularly in terms of the introduction of ‘strategic added value’ to the RDA monitoring framework. Strategic added value was a concept that tried to encapsulate the role of RDAs in delivering unquantifiable benefits such as regional leadership and partnership working.

Figure 4. Factors to take into account when assessing net economic impact



In 2007, the Government commissioned a major piece of work from PricewaterhouseCoopers (PwC) designed to evidence the economic impacts of RDAs to date. This was to be done by aggregating evaluations deemed to be 'IEF compliant' by PwC. Targets were set for RDA expenditure to be covered by compliant evaluations. Meeting the requirements of the PwC impact study presented all RDAs with major challenges. Particular issues for Yorkshire Forward were:

- Coverage. Evaluations had been planned at a project level – so a large number of commissions were required to meet the PwC coverage target of 60% of expenditure to date. RDAs who planned evaluations at a programme level were more able to meet these needs.
- In order to be able to aggregate impact findings, PwC adopted a methodology that placed a value on net jobs created by RDA interventions, but placed no value on skills or social development. This grossly underestimated RDA impact.
- The evaluations commissioned across the RDA network had used different approaches to assumptions about future benefits and allocation of impacts where the RDA was not the only funder. PwC made some amendments to bring the studies in line, but many anomalies remained.
- Internal evaluation was perceived as having no value to the PwC work, as were evaluation activities where the focus had been on learning lessons rather than assessing quantitative impact.

Following the PwC report, Government issued further guidance to try to deal with consistency issues that had been problematic during the PwC work (BIS 2009). Yorkshire

Forward's evaluation strategy was amended to reflect this guidance. As well as adapting the evaluation approach to deal with more and more specific guidance from government, the evolving strategy had to deal with changes in the way the RDA was doing business.

From 2007 onwards, Yorkshire Forward began work on moving from a project approach to a programme approach to delivery – with clearly specified policy product ranges and geographic programmes. From the point of view of evaluation planning, this raised questions as to whether evaluation was best carried out at the level of individual projects or at a programme level; and if project delivery was to be increasingly delegated, could evaluation also be delegated without loss of quality and consistency. By 2010, programme level working had not been fully embedded, so evaluations remained a complex mix of project, programme and thematic studies.

During the lifetime of the RDA, an awareness and understanding of evaluation undoubtedly increased at all levels in the organisation. By 2010, major advances had been made in implementing a high quality and coherent strategy. Unfortunately, evaluation activity effectively ceased at the end of 2010, limiting the possibility of capturing medium and long term impacts of Yorkshire Forward's investments.

Case Study: Yorkshire Forward's Panel of Evaluation Consultants

From April 2005, Yorkshire Forward commissioned independent evaluations from a shortlist (or panel) of evaluation consultants selected through a tendering process compliant with EU legislation.

There were 16 suppliers on the 2005-8 panel, and 21 on the 2008-11 panel – the 2008-11 panel was divided into four subgroups reflecting particular specialisms.

Proposals were invited from all panel members for large evaluation contracts (budgets over £50,000). For smaller contracts, proposals were invited from at least three consultants with relevant knowledge and experience.

Regular briefing sessions were held with the panel to update them on Yorkshire Forward activities, guidance on evaluation (particularly the IEF) and the evaluation workplan. These briefings also provided opportunities for informal networking between consultants.

Operating through a panel rather than going through an open procurement process for each evaluation had a number of advantages:

The quality of evaluations increased significantly during the lifetime of Yorkshire Forward. Having a panel helped this as panel members were kept updated with changing requirements and expectations. In addition, the building of longer term relationships with contractors engendered greater understanding and commitment.

Processes could be streamlined once the initial tendering and contracting had been completed. The system used for inviting proposals was considerably less time consuming than open procurement.

Collaboration between consultants on the panel became more common – this produced some very strong proposals that drew on complementary strengths of organisations.

3. Resources, Results and Outcomes

Resources

Determining the total resource committed by Yorkshire Forward to research, intelligence and evaluation is not a straightforward task. It includes:

- Staff and overheads funded through Yorkshire Forward's administration budget.
- Activities funded through Yorkshire Forward project budgets where the budget holder was part of the Strategy Directorate.
- Spending by other Directorates – e.g. where evaluation is paid for from the budget of the project being evaluated.

Unfortunately, Yorkshire Forward's accounts coding system was set up with expenditure headings that proved to be unhelpful in the identification of research and intelligence spending.

An indication of the scale of the commitment can be ascertained from considering the number of research and evaluation staff directly funded from administration budgets and expenditure on projects where research, intelligence or evaluation was the major objective. This totals 16 staff and cumulative spend of £11.59 million from 2001 to 2011 (see Annex 2 for a project by project breakdown). This sum does not cover expenditure on feasibility studies or other research directly related to project delivery such as project evaluations. To put this investment in context, the total expenditure by the RDA in the same period was over £3 billion.

Results and Outcomes

Outcomes of research and intelligence activities are difficult to evidence and rarely quantifiable. However, it is possible to identify a number of areas where Yorkshire Forward's commitment to intelligence has resulted in demonstrable outcomes.

National Audit Office Assessments

These reviewed the RDA in 2007 and 2010 and remarked on the robustness of the evidence base informing the RES; synergies between ONS, Yorkshire Futures and CEU; and good practice in evaluation – particularly in the use of the evaluation panel.

The work of Yorkshire Forward and other partners is underpinned by a shared evidence base...Yorkshire Futures has an excellent reputation (NAO 2007, P6)

The Agency has developed a robust evidence base which clearly identifies the challenges facing the region and has been recognised by partners as a key source of data for their prioritisation. (NAO 2010, P8)

The Agency makes good use of the panel of consultants it uses for evaluation to share best practice and create a consistently high standard of evaluation generating useful lessons. (NAO 2010, P30)

However, the 2010 review also concluded that intelligence, specifically that gained from evaluation both locally and nationally, was not sufficiently used in prioritisation of investments. Nevertheless, there is evidence of intelligence informing both regional and national policies. An example of Yorkshire Forward's influence on the national policy agenda is work undertaken with the Ethnic Minority Business Task Force (see case study).

Shared Data and Surveys

- Yorkshire Forward was the first of the RDAs to establish a regular survey of businesses. This was then rolled out nationally (to form the National Business Survey) with CEU managing the survey on behalf of the RDA network. This joint approach is likely to have been far cheaper than individual RDAs commissioning surveys; it also produced results comparable across regions.
- Usage of data and tools developed by CEU has been extensive throughout partner organisations such as local authorities and city regions. This has included making use of the REM, Acxiom data and other data sets such as 'Banksearch' which gives an indication of business formation rates. It would have been very costly for individual local authorities to develop or acquire this intelligence on an individual basis.
- Despite some good examples of joint working within the region and across regions, in many cases opportunities for collaboration have not been pursued. For example, each RDA developed its own econometric forecasting tools. This approach was probably more costly than the development of a shared model for all RDAs; however, the resulting regional models were more likely to meet the specific needs of each area and have a greater degree of acceptance to regional users.

Monitoring, Forecasting and Website Tools

- Yorkshire Forward's economic forecasting has been highly used and valued by many partners. However, like most economic models it did not predict the recession. Neither did Yorkshire Futures' futures programme, although that did include a recession and inequalities based scenario. Both point to the value of modelling and futures approaches, and also to the need to be aware of their limitations.
- A wide variety of research outputs were produced to meet the needs of diverse audiences. These ranged from 4 side Yorkshire Futures 'Insights' publications, aimed at bridging the gap between researchers and a more senior and generalist audience, to modelling tools for specialists in partner organisations. The format of outputs continually evolved to take account of new technologies and changing demand – for example, with the introduction of interactive mapping tools provided by 'Progress in the Region Live'.
- Research outputs included a series of 10 annual 'Progress in the Region' reports, providing a comprehensive evidence resource on how the region has changed. These were launched at well attended events attracting high profile speakers, (including Government Ministers) and generating substantial regional press coverage.

- The Yorkshire Futures website was well used. From October 2009 to February 2011, 32,341 unique users accessed the site. 51,152 visits were made and 170,254 pages viewed.

The Evaluation Function

- In 2008, Yorkshire Forward, East Midlands Development Agency and One North East jointly commissioned a review of their evaluation approach (GHK 2008). This identified an evaluation culture at Yorkshire Forward that was enabling, not prescriptive, and a positive and innovative approach to self evaluation. The pressing priority for Yorkshire Forward identified in the review was in adapting an evaluation approach that had been developed at a project level to work effectively at a programme level.
- Yorkshire Forward's evaluation programme was able to meet the exacting standards required by PwC, in terms of coverage and quality, for evidence to feed into the national impact evaluation (PricewaterhouseCoopers 2009).

Feedback and Evaluation of Intelligence Products

- An independent evaluation of Yorkshire Futures in 2006 (Ecotec 2006) confirmed that the organisation had made good progress towards meeting its objectives on providing an intelligence resource for the region. However, the evaluation suggested that more could be done on evidencing good practice and the development of a futures programme – these areas were a key focus of subsequent work.
- A 2009 evaluation of the ONS regional presence identified a number of difficulties in assessing success of the activities. However, a survey indicated that stakeholders wished to see the service continued (Rocket Science 2009).
- Feedback received from stakeholders in gathering information for this report suggested that a major achievement of Yorkshire Forward, Yorkshire Futures and ONS was in the strengthening of the research community in Yorkshire and Humber. This was achieved through activities such as supporting city region analysts, the evaluation panel, the 'Regional Review' journal, REM and GIS user groups, training workshops on data and tools and sub-regional research fora. Strong formal and informal networks encouraged collaboration and sharing of research, data and ideas.

Overview and Influence

Despite many positive examples of achievements, perhaps inevitably, many of those engaged in research and intelligence expressed a view that the region was still some way from 'evidence based' policy making. It was rare to see examples of where an intervention was shaped principally by evidence. Nevertheless, evidence undoubtedly had an important role to play.

Research and intelligence has contributed to shifts in the way certain issues are perceived. For example, the importance of an ageing population or the potential for low carbon industries in the region. No one report or study will lead to a change in perception – it is the

accumulated impact of repeated references both in policy documents and the general media that make a difference.

Research and intelligence has also had a role in improving the design and delivery of interventions. The extent to which research or evaluation is able to influence design and delivery is largely dependent on the level of engagement programme and project developers and delivery organisations have with the research process. Where stakeholders have been fully engaged, research findings are more likely to be used.

Case Study: The Ethnic Minority Business Task Force

The Ethnic Minority Business Task Force was set up in June 2007 to help stimulate growth among Black, Asian and Minority Ethnic businesses in England. It was co-chaired by the Chief Executive of Yorkshire Forward (Tom Riordan).

Yorkshire Forward's CEU played a lead role in assembling the evidence base submitted by the task force to Government in its 2009 publication 'The economic case for investment in ethnic minority businesses'.

This estimated that ethnic minority businesses contributed £30 to £40 billion pounds GVA to the economy per year, and accounted for around 9% of businesses.

The publication was a major step forward in recognising the positive role played by ethnic minority businesses to the UK economy.

4. Insights and Lessons Learned

In reviewing the experience of the RDA and partners involved in research and intelligence, a number of key lessons have emerged:

Organisational commitment

Consultations with managers responsible for research, intelligence and evaluation produced the consistent message that organisational **buy-in** at a senior level is needed for intelligence activities to have maximum impact. This is important in terms of:

- adequate resourcing
- demonstrating organisational commitment to using evidence in decision making
- profile and understanding of research, intelligence and evaluation
- giving research and evaluation specialists authority to 'sign off' research and evaluation proposals presented by other parts of the organisation.

Investing in research where the benefits are downstream and indirect (e.g. evaluation) can mean spending less on direct delivery activity up front. So persuading decision makers to invest in it is not easy. It requires a well made case, the lifespan of agencies and activity to be long enough for the evidence's findings to be applied, and decision makers who are either enlightened of the benefits or pressured into acting. Yorkshire Forward built up very strong research and intelligence capacity that it used widely and shared with partners. It could have made further use of this still, especially to support prioritisation. Some decision makers are wary of putting too much stock in evidence and prefer instinct and judgement, others find it enabling and invaluable. Ensuring evidence is well used is as much about good communication and psychology as it is about logic and the evidence itself.

Procurement

Examples such as the National Business Survey show that cost savings can be made by **joint commissioning**. Where a number of organisations are established with a similar remit (such as Local Enterprise Partnerships), a review of shared intelligence needs could identify areas where joint commissioning is an option.

The Evaluation Panel showed that **panels** or framework agreements can be an effective approach to commissioning. As well as saving time and expense on tendering processes, they provide an opportunity to develop mutual understanding with a team of expert consultants.

Evaluation

Yorkshire Forward's experience of developing an evaluation strategy after project delivery had started emphasised the point that organisations really need to start **planning** for evaluation from day one of their existence. Key things to cover include:

- Clarity over what evaluation is expected to achieve (i.e. is net economic impact the primary concern, or are wider qualitative benefits and learning relevant?)
- At what level evaluation should be carried out (i.e. national, regional, programme, project?)

- What budget will be available
- Where responsibility for evaluation lies
- When evaluation should take place
- Whether internal evaluation is acceptable
- How to ensure evaluations remain independent
- Designing monitoring and management information systems that will meet the needs of evaluators as well as project managers.

Trying to design evaluation systems once an organisation is up and running tends to be problematic. These problems are exacerbated if central government expectations of monitoring and evaluation also change.

Systems need to be put in place to **disseminate** the results of evaluations. Yorkshire Forward's experience has been that evaluation reports usually find a receptive audience in those involved directly in the project or programme being evaluated; however, findings are often not perceived as relevant for those developing or delivering similar programmes elsewhere. Ways in which disseminating generic lessons can be improved include:

- Increasing awareness of evaluation findings among personnel with a cross-organisational perspective (such as appraisal staff and contract monitoring staff)
- Developing libraries and repositories of resources such as the Yorkshire Futures 'what works' database
- Improving the synthesis of evaluation lessons through activities such as this series of learning legacy reports.

Nevertheless, care should always be taken so that **findings are not misused**. It is important to understand the methodological limitations of an evaluation and the context in which an intervention was being delivered before using the findings of the evaluation to make a judgement about the impacts of a comparable project or future proposal. Hence, the findings of the PwC impact report (PwC 2009), being based on a methodology that only values job creation, should not be applied in making value for money judgements about programmes which have objectives beyond job creation (see page 28, BIS (2010), Understanding Local Growth, for a good example of misuse of evaluation findings).

Monitoring Change

Policy makers need to monitor the state of areas and track how these areas change over time – this provides critical intelligence for local and regional policy formation. Progress in the Region showed the value in taking a **holistic** approach to monitoring that considers social, environmental and economic factors.

Feedback on the Progress in the Region indicators suggests that in designing a monitoring system, the following factors should be taken into account:

- **Indicators** selected should be meaningful and easy to interpret.
- Data used for indicators should be available with as few **time lags** as possible – a balance sometimes needs to be struck between using very robust official statistics that take time to report, and more immediate sources, often derived from commercial data sets.

- **Variation** within an area is often as important as overall area averages – these variations can be overlooked if monitoring takes place at too large a scale.
- However, monitoring at too small a scale can lose the wider **context** in which people and businesses operate.
- Administrative boundaries often do not coincide with **functional geographies**. If policy is being developed on the scale of a functional geography, data sources may be limited.
- Wherever possible, monitoring requirements should be **integrated** so that work is not duplicated for different policy audiences.

The Progress in the Region series of documents grew to be some of the most comprehensive reports of their kind conducted in the English regions. Their scale was a benefit in terms of the depth of information covered, but the reports did at times become unwieldy to both use and produce. Key points are to balance depth and brevity and ensure good summary documents are available, and to balance printed and on line resources. In process terms, having widespread partner participation in the task of agreeing headline indicators for the region, and in producing Progress in the Region reports was invaluable.

Potential exists for better integration of **management information systems**, such as those recording details of beneficiaries of interventions, with intelligence functions. Yorkshire Forward had gone some way towards this with the development of its GIS system, but the data emerging from the Regional Knowledge System (a system recording business support interventions) had yet to be fully exploited.

Engagement

Regional research, intelligence and evaluation activities have involved many players, including designers and commissioners of research, consultants and researchers, policy makers, decision makers, delivery organisations, programme beneficiaries and the public.

The RDA has found that **engaging stakeholders** at all stages in the research process, from identifying research needs, through to commissioning, and to dissemination, generates a sense of shared ownership and makes it more likely that research outputs will be used. It helps to form a strong research community where ideas are shared freely.

Individual **people and the relationships** between them can have a crucial bearing on the effectiveness of intelligence activities. The strength of relationships between practitioners and decision makers is particularly important in ensuring intelligence feeds into policy.

Networks and relationships have taken time to build, but can be undermined quickly by **organisational change**.

As the policy environment and institutional structures evolve and change, **roles and responsibilities** of the multiple players have needed to be reassessed, clarified and restated. The past ten years have seen a dramatic growth in data availability (particularly via the internet). This reduces the need for organisations such as RDAs to supply data, but increases the importance of interpretation and analysis.

Dissemination and Communication

Effective dissemination is crucial in order to make stakeholders and decision makers aware of messages arising from intelligence activities.

Dissemination needs to be planned and properly resourced. Yorkshire Futures has found that different audiences are interested in different information and like to receive that information in different ways – **dissemination strategies** need to take account of this range of needs and formats. Dissemination should be targeted on identified audiences and follow up activities may be required to make sure findings are followed through.

Some **topics** generate more interest than others. Yorkshire Futures' futures programme found particularly receptive audiences among decision makers and the media.

A balance needs to be struck between providing clear concise messages and conveying the **complexities of data and methodological limitations** of research and modelling. This is particularly important in the case of intelligence derived from forecasts, which can turn out to be wildly inaccurate.

Events such as the annual Progress in the Region launch can play an important role in dissemination. However, the time and planning involved in running successful events should not be underestimated.

Social media is opening up a range of new opportunities for research dissemination, but as yet, it is difficult to say how effective these new routes to audiences will be. For many, a message is still most effectively conveyed face to face; and the press and television remain influential in shaping the views of both the public and politicians.

Whatever medium is selected, well chosen maps, charts and other types of **visualisations** can be crucial in conveying insights. Data visualisation is an area that has got considerably more sophisticated in recent years, but this richness has yet to be fully exploited by those involved in regional research.

Leaving a legacy

Yorkshire Forward built up its data, knowledge and understanding over more than ten years. Some of these intellectual assets are codified and reasonably easy to pass on to successor organisations in the form of reports, databases and data files. However, knowledge is also embedded in people and networks – and it is this knowledge that is easily lost in times of institutional change. Some of this learning has been captured in this series of **learning legacy** reports – but these can only capture a small portion of the amassed insights of RDA staff and people in the partner networks.

Successor organisations to the RDA should consider what learning can be drawn from RDAs experience when formulating their policies and strategies for the future.

Annex A: Experience Elsewhere

All RDAs invested in research, intelligence and evaluation. However, few published evaluations can be drawn on to compare the effectiveness of these functions.

Approaches varied across the country. Major differences included:

- Different organisational structures for observatory functions. Some being part of the RDA research team, others being stand alone or part of a partnership/network organisation.
- Evaluation functions either being aligned with research/strategy or performance monitoring/finance.
- Evaluation being planned at a project or programme level.
- Research and evaluation teams having different levels of authority and ability to sign off proposals or veto organisational investments.

Some sharing of experience and good practice took place through meetings of research managers, the evaluation practitioners group and Association of Regional Observatories. However, it is difficult to trace what impact these networking activities had on changing practice.

Annex B: Expenditure on Research, Intelligence and Evaluation

Expenditure on research, intelligence and evaluation – 1st April 2000 to 31st March 2011

Admin budget staffing		
CEU	max 12 core staff	
Evaluation	max 4 core staff	
Remaining staff funded via projects		
Project		total expenditure to March 2011
903237	GIS and ONS funding	£830,910
903053	Strategic Evaluation	£730,646
901127	Yfutures and Evidence Base	£2,932,036
901128	Yks Futures Network Development	£2,715,022
901007	Yorkshire Forward GIS Support	£185,886
903620	Yorkshire Forward Regional Evidence Base	£1,425,599
900053	Yorkshire Futures	£1,529,861
903609	Yorkshire Futures 2009-12	£1,244,850
		£11,594,810

Annex C: Further Information and References

BIS (2009) RDA Evaluation: Practical Guidance in Implementing the Impact Evaluation Framework

BIS (2010) Understanding Local Growth

DTI (2003) Single Programme Appraisal Guidance

DTI (2006) Evaluating the Impact of England's Regional Development Agencies: Developing a Methodology and Evaluation Framework. DTI Occasional Paper no 2.

Ecotec (2006) Evaluation of Yorkshire Futures

Ethnic Minority Business Taskforce (2009) The Economic Case for Investment in Ethnic Minority Businesses

GHK (2008) Evaluation of emda, ONE and Yorkshire Forward Approaches to Evaluation

Henley Centre Headlight Vision with Yorkshire Futures, The Future of Yorkshire and Humber: Trends and Scenarios to 2030, Yorkshire Futures, January 2008

HM Treasury (2004) Review of Statistics for Economic Policy Making (Allsopp Review)

NAO (2007) Independent Performance Assessment – Yorkshire Forward

NAO (2010) Independent Supplementary Review – Yorkshire Forward

Nutley, S M, Walter, I, Davies, HTO (2007) Using Evidence, The Policy Press, Bristol

PricewaterhouseCoopers (2009) Impact of RDA Spending, BERR.

Rocket Science (2009) Evaluation of the ONS Regional Presence

Yorkshire Forward (2000) Regional Economic Strategy 2000-2006

Yorkshire Forward (2003) Regional Economic Strategy 2003-2012

Yorkshire Forward (2006) Regional Economic Strategy 2006-2015

Yorkshire Futures (2001-2009), Progress in the Region annual reports

This paper is part of a suite of 'Learning Legacy' reports produced by Yorkshire Forward in 2011. The series is intended, as far as we can, to capture knowledge, achievements and lessons learned from regional economic development. It seeks to pass knowledge on to other bodies who may be able to apply it now or in the future.

We are grateful to all the many partner organisations, businesses and individuals who have contributed to this work over Yorkshire Forward's lifetime.

In addition to an Overview, the full range of modules in the series covers:

- 1: Economic Strategy
- 2: Research, Intelligence and Evaluation
- 3: Responding to Economic Shocks
- 4: Low Carbon Economy
- 5: Enterprise - Helping New Businesses to Start and Survive
- 6: Supporting Existing Businesses
- 7: Access to Finance
- 8: International Trade and Investment
- 9: Sectors and Clusters
- 10: Innovation
- 11: Skills
- 12: Urban Renaissance and Physical Regeneration
- 13: Social Regeneration and Inclusion
- 14: Transport
- 15: Rural Renaissance
- 16: Tourism and Major Events

Useful web links and access points for modules from this series will include:

Leeds City Region LEP <http://www.leedscityregion.gov.uk/LEP.htm>

Sheffield City Region LEP www.sheffieldcityregion.org.uk/local-enterprise-partnership

York and North Yorkshire LEP <http://www.ynylep.co.uk/>

Humber LEP (web address to be confirmed)

BIS Local <http://www.bis.gov.uk/policies/economic-development/bis-local-offices>

Yorkshire Forward www.yorkshire-forward.com



The Region's
Development Agency