



# Public Value in Value for Money: From Frameworks to Practice

#### Speakers





Tori Olphin Thames Valley VRU



Jan Beckstrom
Office of the Auditor General of Norway



Alex Hurrell Kantar Public



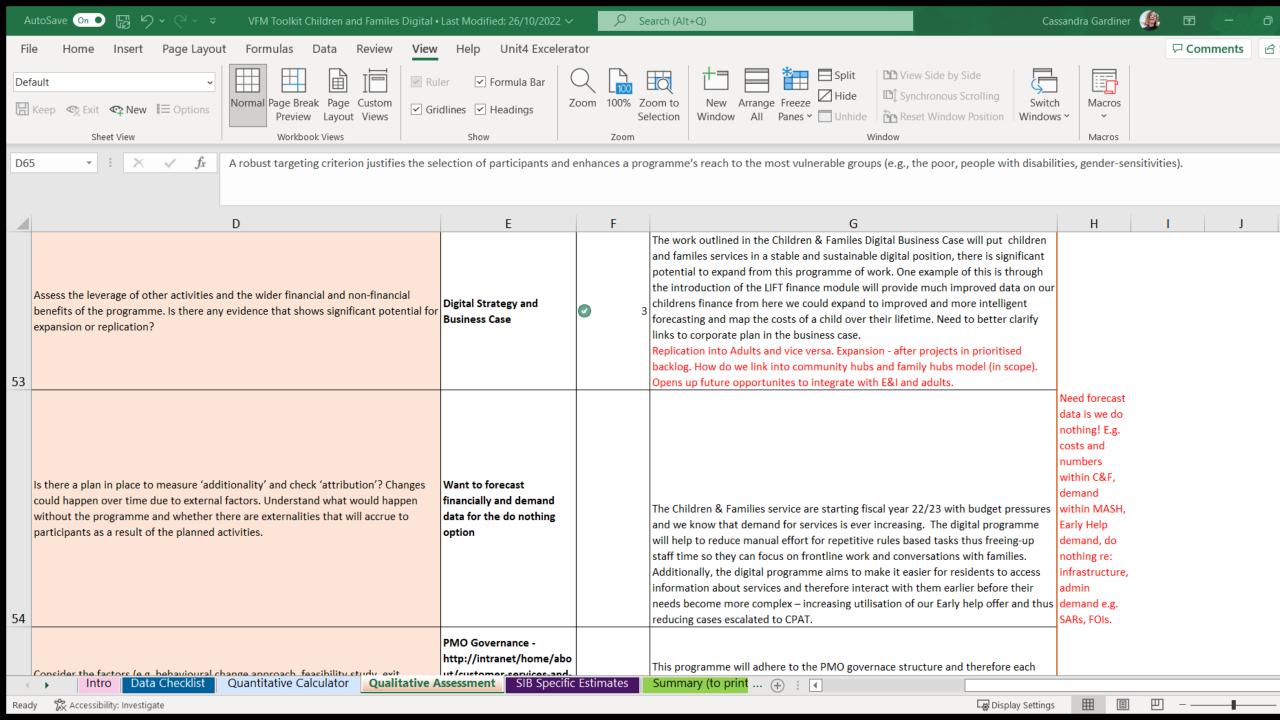


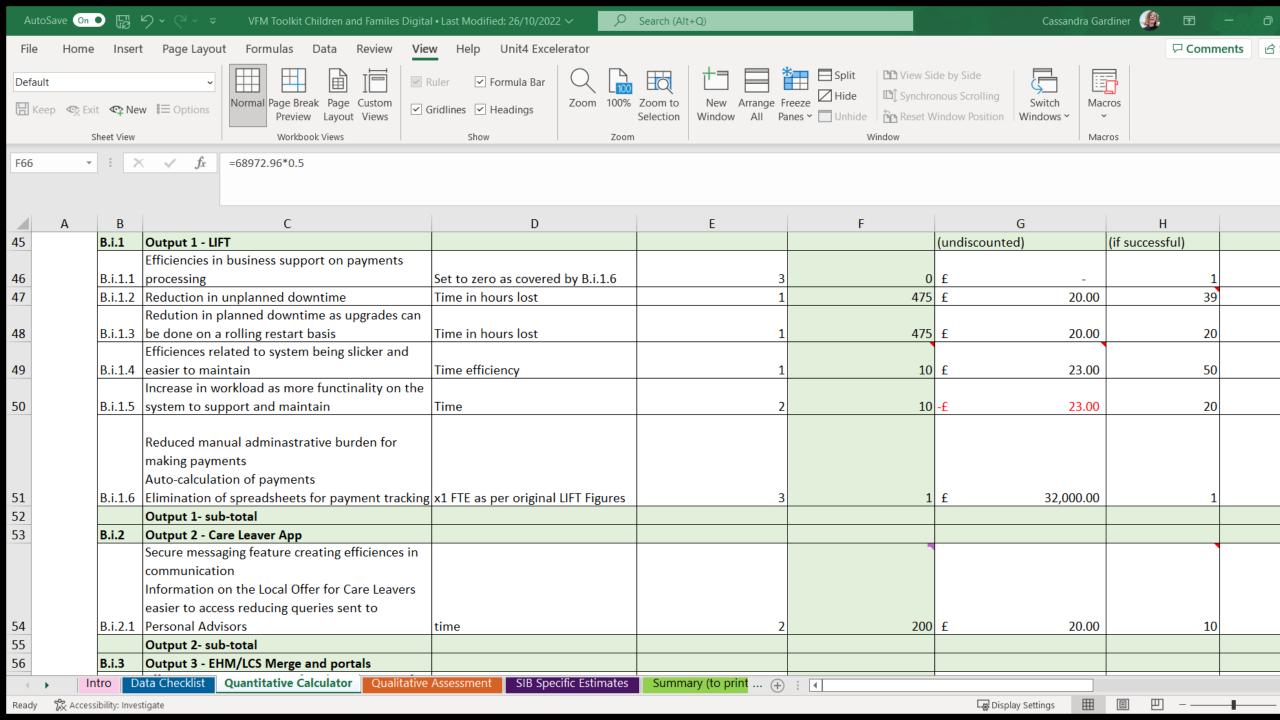
# CIPFA



Cassandra Gardiner (She/her)
Head of Digital Innovation & Change
Redbridge Council

Redbridge
experience with the
VfM toolkit –
Strengths and
Weaknesses









# CIPFA



Tori Olphin (She/her)
Chief Data Scientist and Head of Research
Thames Valley Violence Reduction Unit

Other practical approaches on Value for **Money – The Thames Valley Violence Reduction Unit Experiences** 

# Research Project Lifecycle: A Structured Approach to Conducting Research in

the Public Sector

26th April 2023

Tori Olphin (She/her)

Head of Research and Evaluation, Thames Valley VRU tori.olphin@thamesvalley.police.uk



#### To reference, please use:

Olphin, T.P.A., (2023). Research Project Lifecycle: A Structured Approach to Conducting Research in the Public Sector, Reading, UK: Thames Valley Violence Reduction Unit

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# Motivations for searching for this approach:

Some Issues with Police Interventions and Research

#### **Common issues:**

- Short funding deadlines lead to less planning
- Analysis not planned before implementation
- Lack of tracking of delivery
- Fear of running randomised trials
- Control groups are usually not pre-planned
- Counterfactual not identified
- No baseline measurements taken
- Eligibility criteria not easily identified
- Group sizes not based on prior evidence

# Motivations for searching for this approach:

Some Issues with Police Interventions and Research

#### Leads to:

- Not being able to say what works, or what effect has been had for the money/resource
- Asking for someone to evaluate something after it has already been finished
- Issues with interventions not being picked up until later
- Clashes between interventions
- Rushed implementation
- Inefficient or insufficient levels of resourcing

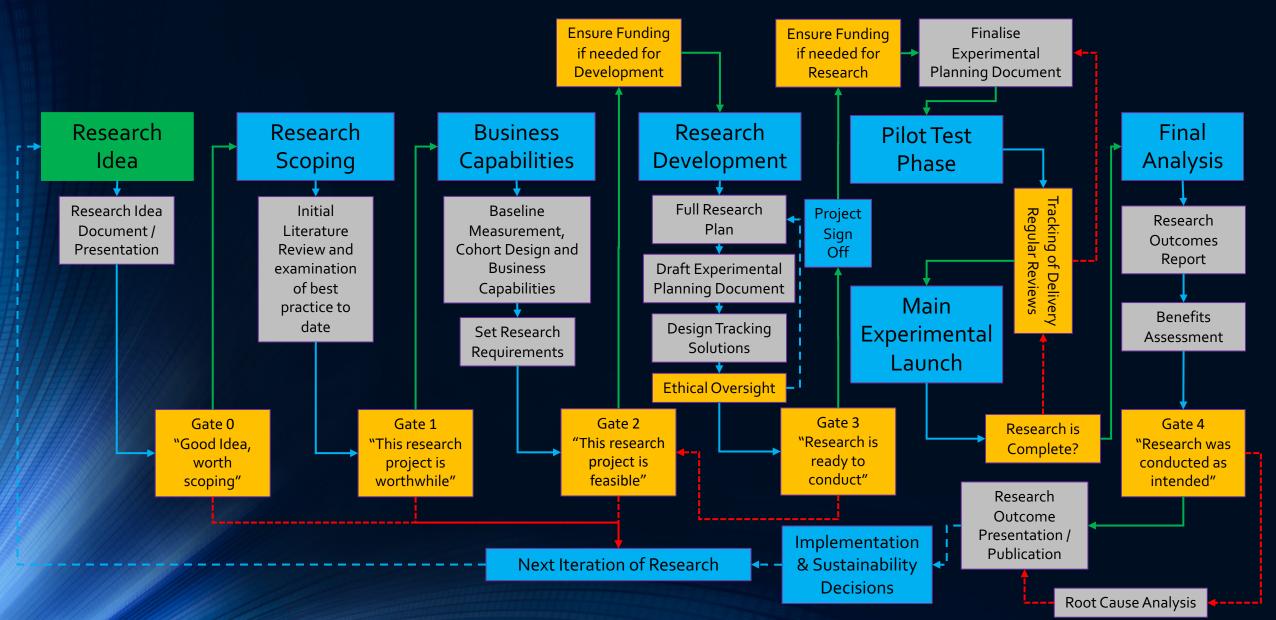
## Principles the Lifecycle is built upon

- We need strong evidence to be able to argue for spending money or resource in one way, over another
- Some things either don't work and would be a waste of resources, or backfire and cause harm, therefore we should test to ensure we are not doing either
- The fundamentals of research are the most important part: Spending time on baseline measurements and planning saves far more time and effort later
- Analysis and Evaluation happens in the planning phase, if you have not planned the trial based on how you will evaluate it, the evaluation will be poor
- It is better to have the best test you can do of something that can actually be implemented, than a perfect experiment examining something that only works in laboratory conditions

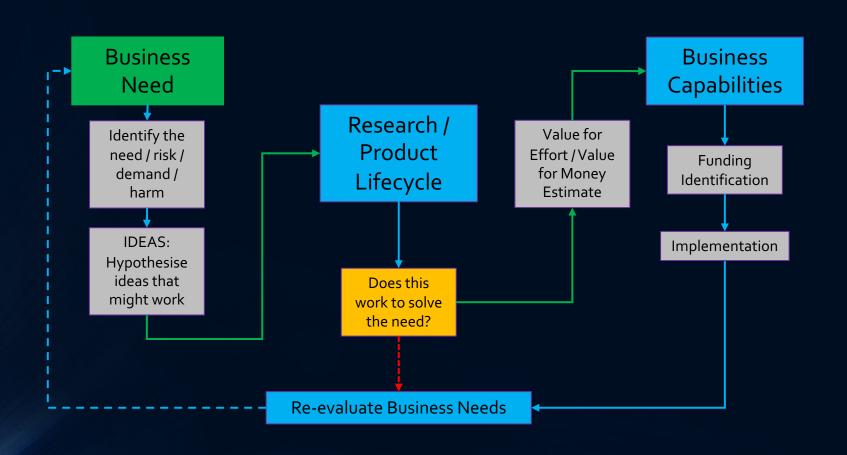
## Principles the Lifecycle is built upon

- One of the most valuable things we can do to start with is acknowledge where we know nothing
- Most of our risk assessment tools are inaccurate, so we cannot actually predict which people will suffer most harm, therefore randomisation may be fairer than we often think
- The harder you try and fail to disprove your findings, the more convincing those findings become. If you do disprove them, you learn lessons for the next implementation
- No trial survives contact with the real world unscathed, and we need to avoid the error of ignoring the weaknesses of evidence. It is better to say that we failed, and learn from it, than to draw unsafe conclusions and base future policy on that false evidence

## Research Project Lifecycle



### How this fits into business as usual



# Representing Value for Money: Combining Joined Up Data with Research Project Lifecycle

COMBINATION WITH THAMES VALLEY TOGETHER

STAGE ONE: OVERALL COSTS TO SOCIETY

- STAGE TWO: SPECIFIC COSTS TO AGENCIES
   WHAT DOES IT COST IN TERMS OF RESOURCE AND EFFORT?
   HOW DOES THAT CHANGE WITH INTERVENTION?





# CIPFA



Alex Hurrell (He/him)
Head of Evaluation
Kantar Public

# The way ahead – Choosing the right approach

## **KANTAR PUBLIC**

GO Lab & CIPFA Peer Learning Group event April 26<sup>th</sup> 2023 Public Value in Value for Money: From Frameworks to Practice

The way ahead – Choosing the right approach



Alex Hurrell
Head of Evaluation, Kantar Public UK





Inter-disciplinary (evaluation + economics)

**Mixed methods** (qualitative + quantitative)

**Evaluative reasoning** (evidence + rubrics)

Participatory (co-design + sense-making)

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## Our approach is gaining traction globally





**fsd**africa

Mula

African

AFD

Australia Indonesia Partnership



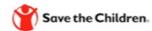














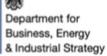
























AUSTRALIAN

EVALUATION





















PEOPLE, COUNTRY, OPPORTUNITY,



#### **Examples:**

International trade

Scientific research

Climate action

Agriculture

Market development

Governance

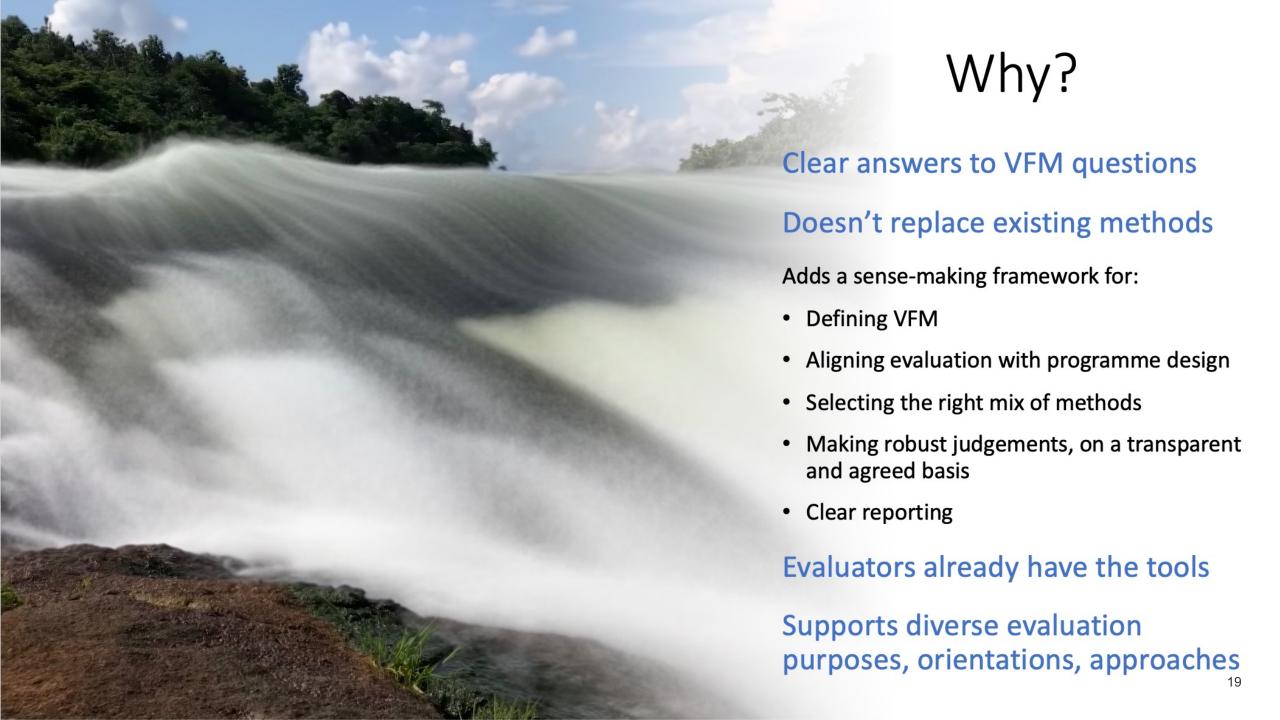
Public financial management

Health

Education

Social development

Māori development



## Evaluative reasoning

Evidence (quant, qual, econ)

Evaluative conclusions

Definitions of good value for money

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#### VFM FRAMEWORK DESIGN

#### VFM EVALUATION



For example:

- Context
- Stakeholders and users
- Needs
- Theory of change
- Theory of value creation

Context-specific definitions:

- Criteria (aspects of performance and VFM, e.g., economy, efficiency, effectiveness, costeffectiveness, equity)
- Standards (levels of performance and VFM, e.g., excellent, good, adequate and poor)

What evidence is needed and will be credible to address the criteria and standards?

What methods should be used to collect the evidence?

Including economic methods of evaluation where feasible and appropriate

Descriptive analysis of each stream of evidence

Causality/ contribution

> using the criteria and standards

Bring the

evidence

together;

Evaluative

judgements

streams of

Performance story:

- How is value created, for whom?
- How good is program VFM?
- How can VFM be improved?
- What's been learned?

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## Thank you!



alex.hurrell@kantar.com

patrick.ward@opml.co.uk

www.julianking.co.nz/vfi













Jan Beckstrom (He/him)

Deputy Director General and Chief Data Scientist

Office of the Auditor General of Norway

# An external perspective – Performance auditing



# Value for Money Assessments A performance audit view

Jan Roar Beckstrom

Deputy Director General/Chief Data Scientist

The Innovation Lab

Office of the Auditor General of Norway



## Performance audit and VfM

Performance audit is basically value for money assessment (ref. NAO)

ex ante vs. ex post

auditors have the benefit of "after the fact"



## Performance audits

can be done in numerous ways

and can address both economy, efficiency and effectiveness

So often we do something else than VfM assessment in the form of cost-benefit analysis



## Some examples on audit designs:

- Case studies
- Process studies
- Productivity analysis (Data Envelopment Analysis- DEA)
- Time-series analysis
- Qualitative in-depth studies
- Cost-benefit
- Econometric analysis (e.g. regression discontinuity analysis)

Basically, all design types used in social science evaluation can be relevant

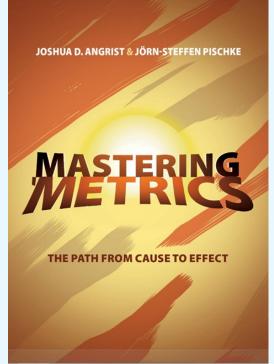


## Cause -> Effect

Stringent analysis of program/cause → outcome/effect is difficult to do

especially ex ante as you don't have data on outcome







Ex ante assessments:

...you cannot do, obviously, a case study of a case that doesn't yet exist

Thus, it will often boil down to some kind of cost-benefit estimation?

(and btw ...what about opportunity cost?)



Cost-benefit estimation – fine and necessary - but can be done in different ways

The GoLab toolkit is one way

Might (sometimes) be better to do something simple, than try to do something comprehensive (and fail)



## Context:

- Building a new road → pricing the transport time saved (easy)
- Getting ex-convicts employed → what is the value of this?

Also: Numbers can seem deceptively "true"



Cost-benefit is weak on analysis of preconditions for cost actually leading to benefit?

Cost  $\rightarrow$  what needs to be in place  $\rightarrow$  benefit?

For example: Will incentivisation through contracts actually work?







## Just a thought:

Can a new program be implemented as an experiment?

In collaboration with researchers?

# The Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel 2019



© Nobel Media. Photo: A. Mahmoud Abhijit Banerjee Prize share: 1/3



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The Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel 2019 was awarded jointly to Abhijit Banerjee, Esther Duflo and Michael Kremer "for their experimental approach to alleviating global poverty"



# CIPFA

# Any questions?





# Thank you!

Jeffrey Matsu CIPFA Chief Economist jeffrey.Matsu@cipfa.org Mara Airoldi GO Lab Academic Director mara.airoldi@bsg.ox.ac.uk

Matheus Assunção
GO Lab/CIPFA Research and Policy Officer
matheus.assuncao@bsg.ox.ac.uk