



## **Strategy and Private Office Directorate**

**Policy portfolio: Strategy and Private Office Directorate**

**Policy area within portfolio: Better Regulation,  
Strategy Unit, Triennial Review**

**Timeframe covered by Evidence Plan: 2013/14-2017/18**

**Date of Evidence Plan: March 2013**

This evidence plan was correct at the time of publication (March 2013). However, Defra is currently undertaking a review of its policy priorities and in some areas the policy, and therefore evidence needs, will continue to develop and may change quite rapidly. If you have any queries about the evidence priorities covered in this plan, please contact [StrategicEvidence@defra.gsi.gov.uk](mailto:StrategicEvidence@defra.gsi.gov.uk).

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# 1. Policy context

## What are the key policy outcomes for the policy programme/area?

To support Defra's business priorities the Better Regulation Team and Strategy Unit, within the Strategy and Private Office Directorate, have aims and outcomes that focus on preparing for the future, embedding new issues, and capability building. The aim of the Directorate is to set the vision for Defra and the Network's long term direction - and how we are going to get there; including, articulating the vision, developing guiding principles for strategy and policy development, defining aims and objectives that need to be achieved, and highlighting choices and trade-offs.

The key outcomes for these teams to support the Directorate are to:

- Enable business and civil society to grow through reduced regulatory burdens.
- Ensure that Defra contributes towards the growth agenda across the economy and within rural areas by supporting businesses, removing barriers, and investing in infrastructure.
- Make sure that Defra's priorities are clearly understood and up to date so that resources can be aligned to them - and that Defra's delivery network is aligned with Defra and wider government priorities.
- Ensure that Defra understands and follows best practice in policy development and delivery, and that it routinely takes account of horizon scanning.

Within these priorities the following teams have specific policy aims:

### Better Regulation

- Enable business and civil society to grow through reduced Defra regulatory burdens.
- Provide Defra and its regulators with the right information and tools to support their regulatory reform plans.
- Ensure that Defra makes a significant contribution to the government's regulatory reform agenda, including assessing the potential contribution of alternative behavioural approaches.

The **Strategy Unit** will ensure that Defra and the Network have greater impact through strengthened strategic direction, analysis and influence by:

- Facilitating setting the department's strategic direction: its purpose and priorities.
- Driving strategic capability across Defra.
- Undertaking external engagement and influence.
- Ensuring Defra is future proofed and resilient for the long term.
- Co-ordinating and developing Defra's approach to growth.

**Triennial Review**<sup>1</sup> will secure Defra compliance with the Cabinet Office guidance setting out how departments should review their non-departmental public bodies (NDPBs). It will do this by ensuring that:

- Defra sponsored NDPBs only perform necessary functions and then only those that are best delivered by an NDPB.
- Alternative business models have been assessed and implementation plans established where appropriate.
- Governance arrangements have been tested and strengthened where necessary.
- NDPBs are fit for purpose over the coming 3-5 years.

## 2. Current and near-term evidence objectives

**What are the current and near-term objectives for evidence and how do they align to policy outcomes?**

The Strategy and Private Office Directorate's evidence objectives directly align to the Directorate's policy objectives. This includes ensuring that the Directorate acts as a leader for the department in developing and establishing best practice in policy development and delivery; use of horizon scanning; and regulatory reform and alternatives to regulation. The evidence objectives demonstrate a collaborative approach to building this evidence base, both within the Directorate and by actively working with teams across the department on these strategic evidence areas.

It should be noted that only the Better Regulation Team has an evidence budget to commission external research. For the Strategy Unit and the Triennial Review Team research is largely conducted in house by analysts within the teams, as well as by collaborating with analysts across Defra and its agencies.

The key evidence needs for the teams within the Directorate are:

### Better Regulation

The Better Regulation team primarily uses economic, operational and social research analysis to understand the impact of Defra's regulations, to identify improved alternative approaches, and support reform of regulations - in particular:

- To analyse the costs and benefits of all Defra's regulations on business and society.
- To build the evidence to underpin Defra's Smarter Environmental Regulation Review which will make radical proposals for simplification of environmental guidance, data reporting and legislation.

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<sup>1</sup> The Triennial Review has now moved from the Strategy and Private Office Directorate and is a separate Directorate by itself. However, the analysts within the team are part of the Strategy Evidence Team and their work is therefore reflected in the Strategy and Private Office Evidence Plan.

- To understand the impacts of Defra's regulation on particular sectors of society, notably small and medium enterprises (SMEs) and microbusinesses; and also to better understand other Defra customers through segmentation.
- To assess alternative approaches to regulation in order to influence behaviour. This includes improving Defra's understanding of relevant behaviours and how alternative approaches to information provision, policy design and implementation, and regulation can achieve better outcomes than regulation on its own.
- To analyse alternative approaches to promoting regulatory compliance and encouraging the sharing of best practice across Defra's regulators.
- To promote the sharing of regulatory evidence externally, in particular through a Regulatory Evidence Network. This will lead to, for example, a series of literature reviews to provide support for the Network. These will include the role of non-government regulators (including supply chains) and the impacts of regulation on rural businesses.

### **Strategy Unit**

The Strategy Unit does not have a discrete evidence budget but does engage and work closely with policy and evidence teams across Defra, in particular with the Director of Analysis/ Chief Economist evidence team. The Strategy Unit works with the wider department to make sure that its strategic work and advice has a solid evidence base – whilst also promoting its own strategic analysis to inform other evidence agendas, making sure the department is developing analysis that will meet emerging issues and challenges. In particular it:

- Works closely with the departmental Strategy Group to identify future long term issues and key evidence gaps that need to be addressed on behalf of the department<sup>2</sup>.
- Is a core customer for Defra's current horizon scanning arrangements (as commissioned via Cranfield University) and will continue to seek forward looking evidence in the longer term.
- Ensures the delivery of the evidence base for the growth agenda either through Defra research or by working through other government departments and stakeholders.

### **Triennial Review**

To deliver evidence-based reviews of Defra's NDPBs, including analysis of their functions and form, the team will:

- Analyse the current activities and delivery structure of Defra's NDPBs to develop a thorough understanding of their baseline activities and identify any opportunities for reform; and

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<sup>2</sup> The Strategy Group is a sub-group of the Department's Executive Committee. Its aims are to:

- Guide and evaluate the strategic direction for the Department;
- Get in early to test policy against strategic objectives; and
- Provide strategic oversight of issues impacting our agenda and delivery.

The evidence gaps it identifies are addressed via the relevant policy/ evidence team within the department.

- Assess the impacts of changing delivery structures for both functions and form on costs, delivery of services, and environmental, social and economic outcomes.

## 3. Future evidence needs

### What are the longer-term evidence needs for the policy area/ programme?

The evidence requirements of the **Strategy Unit** are impacted by a particularly fast moving policy agenda. This makes it difficult to accurately anticipate the priorities for research in the longer-term. However, the Unit will continually review and develop its evidence objectives to ensure that they are focussed on emerging policy priorities, and benefit from active horizon scanning.

For the foreseeable future it is expected that growth will continue to be a top priority for Defra and consequently work on the evidence base will reflect this. The Strategy Unit will play the key role in ensuring this takes place within Defra's policy areas by engaging and leading on the development of the evidence base for growth across the Department, building on existing work, prioritising the gaps and making full use of the research and its findings thus delivering value for money for Defra's evidence budget.

The **Triennial Review** Team's work will be set by Defra's timetable for the review of its NDPBs and evidence needs will respond to this agenda.

### Better Regulation

The team will continue to build the evidence base to support reform of Defra regulations and alternative options for delivering policy. This includes:

- The top priority is to build the evidence to underpin Defra's Smarter Environmental Regulation Review which will make radical proposals for simplification of environmental guidance, data reporting and legislation.
- Improving understanding of the impacts of environmental regulation and how it can be designed to stimulate growth and innovation to be pursued jointly with Research Councils and Defra delivery partners.
- Development of an Instrument Selection Guide for policy makers.
- Building and enhancing the evidence to assess alternative approaches to regulation.
- Supporting delivery of the Farming Regulation Task Force, including further work on opportunities for introducing earned recognition into inspection regimes and analysis to enable us to identify opportunities to improve and incentivise compliance and uptake of best practice whilst reducing the need for farm inspections and associated record keeping.
- Supporting Defra's work to reform European Union (EU) regulation, including a possible single platform for environmental knowledge that we are discussing with the Commission.

# 4. Meeting evidence needs

## What approach(es) will be taken to meeting evidence needs?

### Identifying research needs and choice of methodology

Evidence needs for the Directorate are identified via close working between policy and analytical colleagues. This ensures that evidence plans are constantly reviewed in response to emerging policy priorities and that existing research projects continue to have direct policy application. The Better Regulation Team consults with external organisations (including the LWEC<sup>3</sup> Business Advisory Board, the Better Regulation Executive, the Defra Regulatory Scrutiny Panel, the Environment Agency and Natural England) when deciding upon its evidence needs.

Priorities are identified by considering research proposals against Defra's public commitments, Ministerial priorities, the Directorate's business plan and long-term evidence requirements and gaps. Decisions are made by Strategy and Private Office Director and Evidence Deputy Director in consultation with policy and evidence leads (including relevant leads across the department and agencies). The Better Regulation Team have a joint evidence plan with the Environment Agency and are formalising arrangements with other regulators to develop a UK regulatory evidence plan and regulatory evidence hub.

Choice of evidence gathering methodology is decided by analysts (or policy in consultation with analysts). This focuses on the research questions agreed between policy and analysis - and how to most efficiently answer them within the relevant timescale and budget. Analysts within the Directorate use their expertise, professional guidance<sup>4</sup> and HM Treasury guides to appraisal<sup>5</sup> and evaluation<sup>6</sup> to ensure that proposed methodologies are appropriate. The Directorate's evidence team is multi-disciplinary which ensures that a range of analytical approaches are used (and combined) to answer research questions.

### Gathering the evidence

As a starting point existing evidence is reviewed (including via rapid evidence assessments or systematic reviews when appropriate). This ensures that research builds upon existing evidence and is not duplicated.

Some evidence teams' analysis focuses on existing data sources. For example, the Triennial Review will collect evidence from arms length bodies for analysis of delivery functions and trajectory and delivery effectiveness.

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<sup>3</sup> Living with Environmental Change

<sup>4</sup> For example – Government Social Research Code: <http://www.civilservice.gov.uk/networks/gsr/gsr-code>, Office for National Statistics Guidance and Methodology: <http://www.ons.gov.uk/ons/guide-method/index.html>

<sup>5</sup> HMT Green Book - [http://www.hm-treasury.gov.uk/data\\_greenbook\\_index.htm](http://www.hm-treasury.gov.uk/data_greenbook_index.htm)

<sup>6</sup> HMT Magenta Book - [http://www.hm-treasury.gov.uk/data\\_magentabook\\_index.htm](http://www.hm-treasury.gov.uk/data_magentabook_index.htm)

Advice from expert/advisory groups is also sought. This includes internal expert groups such as the Defra Social Science Expert Panel and Economic Expert Panel. It also includes external groups such as university departments, and research networks. For example, depending on the area being researched, the Better Regulation Team consults with trades associations and environmental non-governmental organisations (NGOs).

The Directorate directly commissions primary research and secondary analysis of data – and also delivers research jointly with other government bodies, for example the Environment Agency, and through partnerships with external funders (for example Better Regulation are working with LWEC, the Engineering and Physical Sciences Research Council (EPSRC) and the Economic and Social Research Council (ESRC)) and the Defra network.

### **Internal and external links**

Internally, as the Directorate leads on a number of cross-cutting Defra agendas, including growth (Strategy Unit) and better regulation (Better Regulation Team), there is the potential to engage with all teams across Defra and its Network as well as influencing research programmes within Whitehall and across stakeholders. For example the Regulatory Evidence Network will help UK environmental regulatory bodies to co-ordinate their evidence activities.

Key internal partners in taking forward evidence are the Director of Analysis and Chief Economist's Office (especially in relation to growth, spending impact and prioritisation of analytical resources), and the Strategic Evidence Team in relation to Horizon Scanning.

The Directorate also has strong links with other government departments – for example the Strategy Unit particularly liaises with No.10, the DPM's Office and the Cabinet Office and are also in the process of developing contacts with other Strategy Units across Whitehall. Key internal and external links are set out below:

Organisation	Shared area(s) of interest
Economic and Social Research Council	Environmental policy, innovation and economic growth
University of Leeds	Regulatory agenda. Climate change and innovation
Defra arms lengths bodies (ALBs) – including Environment Agency, Natural England, Forestry Commission	Regulatory agenda; where relevant liaise with ALB analysts on the evidence to underpin Triennial Reviews
Cranfield Centre	Horizon Scanning. Regulatory Agenda.
<b>Other Government Departments:</b> Better Regulation Executive, Department of Business, Innovation and Skills, Department of Energy and Climate Change, Department for Communities and Local Government, Cabinet Office, Devolved Administrations, Local Government Association.	Regulatory agenda
<b>Research organisations:</b> Engineering and Physical	

<p>Sciences Research Council, Living with Environmental Change, Sniffer<sup>7</sup>, Scientific Knowledge for Environmental Protection, European Union Network for the Implementation and Enforcement of Environmental Law (IMPEL), Organisation for Economic Co-operation and Development (OECD) Programme on Regulatory Reform</p> <p><b>Academic organisations:</b> George Washington University Regulatory Studies Center</p>	
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## 5. Evaluating value for money and impact

**What approach(es) will be taken to maximise and evaluate value for money and impact from evidence?**

The Strategy Directorate evidence and analysis team focuses on evaluating value for money by both evaluating the impact and value of policies delivered by the Directorate and by ensuring that evidence spend has maximum impact.

### Policy Evaluation

- The Better Regulation evidence programme, evaluates (or oversees the evaluation) of all Defra regulation and considers where other approaches can create more value for money. It encourages Defra policy teams to evaluate the impact of their regulation and collates that information regularly in ‘The Costs and Benefits of Defra’s Regulatory Stock’ publication<sup>8</sup>. The team also undertakes monitoring and periodic evaluation of the policies it is directly responsible for - environmental civil sanctions, environmental permitting and environmental liability directive
- The Triennial Review team evaluate arm’s length bodies’ functions.
- The Strategy Unit evaluates the extent to which Defra’s resources address our priorities.

### Evaluation of Evidence

Value for money is secured by ensuring evidence is used and has impact in policy decision making. This is done by ensuring policy leads contribute at all stages of design, management and delivery of research – including dissemination plans. The Directorate evidence plan will be reviewed on a yearly basis by the evidence leads and policy leads in the Strategy and Private Office Directorate.

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<sup>7</sup> The organisation was originally known as the ‘Scotland & Northern Ireland Forum for Environmental Research’.

<sup>8</sup> <http://www.defra.gov.uk/publications/2011/08/16/pb13623-defra-regulatory-stock/>

At the design and development stage, evidence team members use appropriate methodologies and directly answer research questions, drawing out policy implications. Directorate analysts therefore make sure GSS (Government Statistical Service), GSR (Government Social Research) and GER (Government Economic Research) guidelines and codes are adhered to (as appropriate to the research project), along with the practices set out in the Defra Evidence Handbook. The Magenta Book and Green Book are also utilised where appropriate to ensure robust approaches to appraisal and evaluation. External peer review and Defra expert panels are used to ensure evidence delivers accessible, robust, policy-focussed products- for example, where appropriate, reports are peer reviewed by external experts prior to publication.

Evidence is also appropriately disseminated, including by publication and via the networks identified in section 4. In addition, from December 2012 a series of regulation publications will be published on the Regulatory Evidence Network.

Evaluating the evidence programme is therefore an ongoing exercise. The quality of evidence will be routinely assessed for each project via the range of peer review processes noted above to ensure research is robust prior to its publication and dissemination. The impact of evidence on policy will be assessed internally as part of the annual review of the evidence plan. Success measures for evidence will also be included in the terms of reference for each research project. In addition, a further review of the impact of the evidence programme will be undertaken every three/ five years. Given the scale of the programme, a proportionate approach will be undertaken to provide an assessment of how it has met the three standards above.