



Department
for Education

Analytical Review

**The Department (By Steering
Group)**

April 2013

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1. Introduction

1.1 An organisational review starting from first principles

In this review we were asked to start from first principles to establish: what analytical function the Department needs, how it can be most efficiently deployed to be responsive to Ministerial priorities and how we could improve our use of evidence.

Previous external reviews¹ have assessed the Department as strong in its use of evidence. Senior and junior analysts alike possess the knowledge and skills to produce high quality outputs on which much of the Department's business relies.

Views from staff, however, suggest that DfE is not felt to be a consistently evidence-driven organisation. Policy and delivery don't always make the most of analysts, with evidence coming too late and out of step with policy aims or delivery reality. Ministers don't see and hear from analysts enough and some staff report insufficient strategic thinking about key evidence gaps.

When we asked, staff, they gave us a clear view of what the organisation needs to look like to make a real difference to the outcomes of children and young people. They felt that analysis and use of evidence needed to be fully integrated throughout the organisation, with all staff seeing it as their responsibility to stay abreast of domestic and international evidence in their fields. Similarly, high quality data, research and analysis need to be easily accessible and considered early in the policy making process, achieved through much closer working between analysts, policy and delivery colleagues.

The organisation also needs to adapt to provide the best architecture for Ben Goldacre and Roger Plant's reforms. If we are to deliver the vision of an evidence-driven education sector, we need to provide leadership and start 'at home' to put evidence at the heart of policy and delivery. We need to adapt to realise the value of data and provide rapid analysis; making evidence much more easily accessible when it is needed for decision making.

There are three things that the Department needs to do to address this vision: it needs to plan strategically, it needs better integration across analysis and

¹ *Capability Reviews: Department for Children, Schools and Families: Progress and next steps*, Cabinet Office, July 2008; and *Science and Analysis Review of the Department for Children, Schools & Families (now Department for Education)*, GO-Science, July 2010

policy/delivery, and it needs improved staff capability to optimise the use of evidence.

The recommendations in this chapter see Directors General determining the overall size of the analytical function in line with business need and in the most efficient way possible.

2. Setting the tone: analysis integrated at senior strategic level

Analysts and policy/delivery staff alike have a role to raise the status of evidence and embed it more in policy making and delivery. In other government departments, high expectations set by senior leaders and Ministers on the use of evidence are seen as an important way to ensure this takes place.

Benchmarking against Whitehall also suggests a need for Department-wide oversight of strategic, cross-cutting and long term analytical needs. This is needed to stop important evidence needs 'slipping through the cracks', to maintain a long term evidence base, to enable the organisation to gain ground as a Department with world-class evidence, and to build credibility with Treasury.

Getting policy, delivery and analyst colleagues working in a much more integrated way will require a significant culture shift, which many staff are open to. Strong relationships between senior analysts and senior policy/delivery staff are important to enable productive joint working, to help analysts stay abreast of policy developments, and to make policy colleagues better aware of analysis in their fields. Such relationships exist currently, but are not universal.

Other departments set expectations by agreeing a clear research strategy at the beginning of the year, however so far DfE has not been wholly successful in delivering plans that capture Ministers' priorities. Ben Goldacre and Roger Plant's reforms demand a new role of the Department and this should be set out strategically as a set of principles in January 2013 focusing on delivering: Ministerial priorities, longitudinal studies, international evidence and the analysis necessary for equity and value-for-money. The strategy should set a firm ambition to increase the amount of quantitative analysis.

Recommendation A: The Permanent Secretary and Directors General set the expectation that evidence be integrated in all policy making, delivery and operations. Senior analysts and senior policy/delivery staff should strengthen strategic relationships, and there should be a board-level champion for evidence.

Recommendation B: The Department should deliver a broad research strategy in January 2013 that sets out new principles for the Department's research role inspired by the Goldacre/Plant reforms and informed by new Ministerial priorities. The Director of Analysis should

retain oversight of delivery against the strategy and work with Directors General to deliver annual research plans integrated to Ministerial priorities and Directorate business planning.

3. Integrated working

3.1 A responsive Department with analysis integrated with policy and delivery from the start

There is much we can learn from the range of models used across Whitehall to better integrate policy and delivery with analytical functions. The Treasury successfully use highly-embedded joint policy and analytical teams; Cabinet Office use a flexible pool approach; and the Departments for Work & Pensions and Business, Innovation & Skills implement effective policy-led task management arrangements. All models have pros and cons, and departments move between them over time depending on the specific issue and the culture change they are seeking.

3.1. Directors General take greater responsibility and accountability for analytical functions in their area

Currently Directors General and Directors are not routinely able to ensure that analysts are deployed in a way that gives the biggest impact for policy and delivery. We therefore need to move to a more integrated model to bring about joint ownership for policy, delivery and analysis, while ensuring that this does not neglect long term planning or militate against flexible recruitment.

Drawing on advice from the Director of Analysis, it should be for Directors General to integrate policy, delivery and analytical planning, and to determine the size and skill mix of the analytical function, based upon the policy and delivery functions which it supports. This will involve integrating research analytical planning to the policy and delivery business plans to set out how resources will be focussed in line with the research strategy and business need.

In doing this, they will need to consider the following issues.

1. The Departmental Review will influence the overall size of the DfE's functions (including functions in Executive Agencies), and the analytical functions that flow from this. Demand already exceeds supply for analytical resource and most other government departments have protected the size of their analysis function while policy/delivery staff have reduced.
2. The Department has one of the lowest numbers and proportions of economists across government; and parts of the Department lack

sufficient operational researchers. Consideration will need to be given to whether the skill mix is sufficiently biased toward economists and operational researchers.

3. Consideration will be needed on whether there is scope to recruit staff with specialist skills from outside the Department to ensure requirements are fully met. The Heads of Profession have a role here to ensure there is sufficient scope to recruit staff via cross-Whitehall analyst recruitment rounds.
4. Thought will need to be given to balancing different roles across Executive Agencies and the Department.

Recommendation C: Directors General and Directors take strategic oversight and accountability for analytical staffing, planning and budgets, with ability to revise budgets according to business need.

Recommendation D: Integrated with wider business planning, and advised by the Director of Analysis and analytical Deputy Directors, Directors General should determine the strategic long term plan, size, configuration and skill mix of the analytical function. This includes Directors General considering whether they have the right mix of economists and operational researchers to deliver their agendas, and whether there needs to be greater flexibility in recruiting from outside the Department to provide sufficient specialist skills.

3.3 Staff are deployed in a way that promotes integrated working

Directors General should determine the most effective way of integrating analysis with policy and delivery in their areas. Integrated analytical and policy/delivery project teams are one way of doing this. A number of government departments also use analytical resource flexibly to undertake projects and to fill skills gaps. Key benefits of flexible analytical working are to enable better management of peaks and troughs of work, and to provide a broad enough skill mix across the analytical professions.

In such models, day-to-day task management of analysts typically sits with policy teams, and line management in an analytical chain to support quality assurance, professional development, and to broker the roles that analysts can usefully undertake. This is common but not universal practice across government and there may be cases where analysts reporting to analytically-literate policy or delivery colleagues is the best approach. A formal dotted line

to the Heads of Profession will be important in such cases to enable them to maintain professional integrity and quality.

Recommendation E: Directors General should decide how best to integrate analysts, including whether to use the resource flexibly and how to task and line manage analysts.

ESD model for project-based teams

ESD are developing a model with a presumption of flexibility, with only a very few exemptions where a case could be made for staff to work in a standing team. At a Group level, policy, delivery, analytical and other specialist staff will be brought together into multi-disciplinary project teams to deliver Ministerial priorities with clear outputs and end dates.

This approach should make it easier to engage analysts from the start of projects and to plan how to deploy analytical resource to priorities across each Group. It will also help break down the analytical / policy divide.

CYPFD model for flexibly resourcing activities

CYPFD are considering moving to a wider model of flexible working across the Directorate. The approach should make it easier to engage analysts from the start of projects and ensure analysis is fully integrated whilst maintaining the flexibility to reallocate resources between Groups.

IFD model for closer integration between analysts and delivery / policy

IFD are considering how they can bring analysts closer to delivery / policy, whilst retaining the flexibility to manage resources at Directorate level. This might be achieved by involving analysts more closely in the day-to-day context of policy and delivery teams.

3.4 The central function is minimised

Almost all government departments retain central analytical functions, but in order to better integrate analysis and policy, and to signal change in the context of the Departmental Review, it is right to minimise the size of centralised functions.

The Department currently has cross-departmental centralised functions covering:

- Strategic Analysis, including oversight of analytical priorities and cross-cutting functions such as research procurement, international evidence and centralised economic expertise.
- Data and Statistics, comprising of data systems, data collection and making data available to the Department (for example data sets, statistics and tools).

Strategic Analysis

Functions should only be centralised if that is more efficient, or leads to improved impact or quality. The following clearly-defined roles meet these criteria:

- Strategic cross-Departmental long term oversight of analytical priorities (improved impact).
- Provision of critical analytical commentary to allow Ministers to make fair comparisons between competing spending proposals, particularly in preparation for the Spending Review (improved impact through strategic oversight).
- Centre of expertise on economic analysis and appraisal, market approaches to policy and 'value for money' analysis (economy of scale).
- Awareness and interpretation of macroeconomic and fiscal developments for the Department (economy of scale).

The location of these strategic functions should be decided alongside broader decisions in the Departmental Review. They could be placed in Directorates, or Strategy Group, but ideally would work directly to the Director of Analysis given how crucial they are to support this function.

Functions related to research procurement and international statistics could be more efficient and impactful if integrated with related functions.

Recommendation F: Embed the research procurement function within the existing DfE procurement team rather than holding as a separate analytical function.

Recommendation G: Bring together existing cross-cutting international work.

Data and Statistics

Data collection and distribution functions are currently located together in a central division. There are advantages in economies of scale and ensuring that staff involved in producing statistics have an in-depth understanding of data collection. However, it means that data and statistics are undertaken separately from policy Directorates which can limit understanding and use.

Work to decide what data to collect and to make data available to the Department are already organised around policy portfolios. There are also some key projects (such as the School Performance Data Programme and putting the National Pupil Database online) that relate directly to Education Standards Directorate. Delegating all these collection and distribution functions to Directorates would help to ensure that data and statistics increasingly drive policy. The majority of staff working on these policy-specific areas relate to Education Standards Directorate functions. The Chief Statistician should therefore be based in Education Standards Directorate so that he has direct oversight of the quality of the majority of data and statistics work.

Economies of scale argue for not splitting up cross-cutting data functions such as data systems, STAR Chamber and the helpline into three different Directorates. In addition, to ensure quality and effective change management, it is important that these functions remain under direct control of the Chief Statistician in Education Standards Directorate rather than in a central team.

Recommendation H: Delegate data distribution functions and policy-specific projects to Directorates.

Recommendation I: Retain cross-Departmental data functions in a single division under direct control of the Chief Statistician, and embed this function within Education Standards Directorate.

3.5 The professional analyst cadre is well-led, highly valued and motivated, and standards are maintained

Across Whitehall, analysts are recognised as having a professional identity with specific skills and training. This helps underline the importance of professional standards, quality and CPD. It also provides a ready route for peer review and the sharing of best practice. However, analytical staff report that there is not a significant sense of professional identity in the Department.

Building and maintaining world-class professional analytical standards under the proposed model will be important, particularly as increasing numbers of analysts work in embedded teams, often outside the direct line management

of their Head of Profession. The Heads in the Department are key to maintain professional standards and ensure policy and delivery remain true to evidence. They currently set standards on proportionate risk-based processes for quality assurance and consistency, such as dual-running or peer review for very sensitive new figures or more limited quality assurance for early policy development. However, the balance of roles on quality assurance between the Heads and analytical Deputy Directors are not well defined, and quality standards set by the Heads are not universally applied.

External scrutiny already plays a key role in maintaining standards but Ben Goldacre and Roger Plant's reforms bring new challenges. Over 2012-2013 the Department will need to reassess our governance structures, build on the Research Scrutiny Group and ensure we bring in the right external challenge at the right point to help us make the hard decisions necessary to shift towards more quantitative work.

Recommendation J: The Director of Analysis should advise Directors General on the best way to maintain quality standards, on how to give an authoritative role to Heads of Profession in the new model and on the role for external critique. Directors General should ensure their staff understand and follow relevant quality standards.

4. Analytical and policy/delivery capability is improved throughout the Department

Expectations, skills and tools must be in place to bring about the significant change in culture the Department needs. This is so that all staff see it as their responsibility to know what ‘world class’ looks like in their area, and have the capability to deliver on this expectation.

4.1 Improved skills among policy, delivery and analyst colleagues support integrated working

Many policy and delivery colleagues are analytically-literate ‘informed consumers’ of analysis, who understand the broader evidence base underpinning their work. This is, however, by no means universal, and many Directors and Deputies felt uneasy about their broader teams’ knowledge of the data and ability to initiate evidence-based reforms. Directors we spoke to also felt they would need additional support for their increasing role in overseeing analytical functions.

Conversely, analysts sometimes don’t understand the policy context and what Ministers are trying to achieve. This can make policy colleagues reluctant to engage with them, and result in a lack of critical analytical thinking to inform early Ministerial decisions at an early stage. Analysts are often not present at key meetings, and don’t always understand how people use evidence in service commissioning/delivery to be able to deliver findings in a way that maximises impact. Other government departments have addressed this through staff training, exchanges, career paths for analysts to move in and out of policy development and closer joint working.

Ben Goldacre’s proposals underline the importance of allowing space for innovation in the use of data. This is about inspiring policy, delivery and analytical colleagues to learn more about their data, and to develop an external outlook which enables them to gain new insights. Directors will want to consider ways – such as incentives or prizes to ‘delve into data’, or analyst/policy workshops to interrogate data – to build entrepreneurial capacity across both analytical and policy functions.

Recommendation K: Skills in using evidence must be a focus in CPD for policy and delivery colleagues. Options for reciprocal buddying / shadowing / secondment between analysts and non-analysts should be considered by Directors General and the Director of Analysis.

4.2 Better knowledge management enables analysts, policy and delivery colleagues to access information and gain new insights

The external reviewers' vision requires improvements to our internal Departmental knowledge architecture. At present there are problems with both supply and demand: data and research are not easily accessible enough and there is a patchy culture of seeking out evidence to drive policy and delivery reform. Roger Plant's reforms will bring a flow of data into the Department, accompanied by new tools for analysis to significantly improve the knowledge base. Ben Goldacre's proposals create an expectation of excellent knowledge management.

Recommendation L: Linked to implementation of the broader Departmental Review knowledge management strand, Directors General and the Director of Analysis should: set strong expectations about effectively managing knowledge; establish senior champions for knowledge management; and recognise and reward excellence in evidence sharing and evidence seeking behaviours.

4.3 Research communications

The value of research is only realised when it is communicated well, quickly understood and acted upon. At present, however, many users find research communications frustrating: those communicating research are disappointed when findings don't seem to be acted upon, those using research may feel it's not relevant to the current policy context.

Part of the solution lies in research commissioning that is better aligned to Ministerial and sector priorities and a dynamic process that stops research if it will no longer have impact. Research business plans should be reviewed when Ministers termly priorities are made available. The publication of research should be an opportunity for senior analysts and policy-makers to come together to think productively about implications and impact, show the value of research to Ministers and improve our policy-making and delivery. A group of analysts is already looking to improve research findings communications, particularly to the Secretary of State, but they will require significant support from senior policy and delivery colleagues to make those communications more relevant and useful.

Recommendation M: Directors General and the Director of Analysis should ensure that the policy implications of research are considered at

a senior level and that impact and implications are put first and foremost when research findings are communicated to Ministers. Where there is little to report, analysts should feed lessons learnt into the next commissioning cycle to ensure research spending is focused where it can have most impact on improving outcomes.



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