Jayne Cox, CECAN Fellow

# What's stopping us?
## Commissioner and contractor perspectives on complexity approaches in evaluation

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# Supporting the take-up of complexity-appropriate methods

- Research scope and definitions
- Findings
  - The evaluation context and upstream constraints on methods choices
  - Barriers to commissioning new methods
  - Barriers to complexity-appropriate methods
- Solutions

# Background and definitions

# Interviews with 19 commissioners and contractors

The practical steps that commissioners and procurement officials can take to foster the take-up of complexity-appropriate methods

How does the commissioning of evaluation studies help or hinder the take-up of complexity-appropriate methods?

- Influence on methods choices of the wider evaluation context
- How methods are selected in tendering processes & barriers to innovation
- Appetite for complexity-appropriate evaluation and specific barriers to commissioning these approaches and methods

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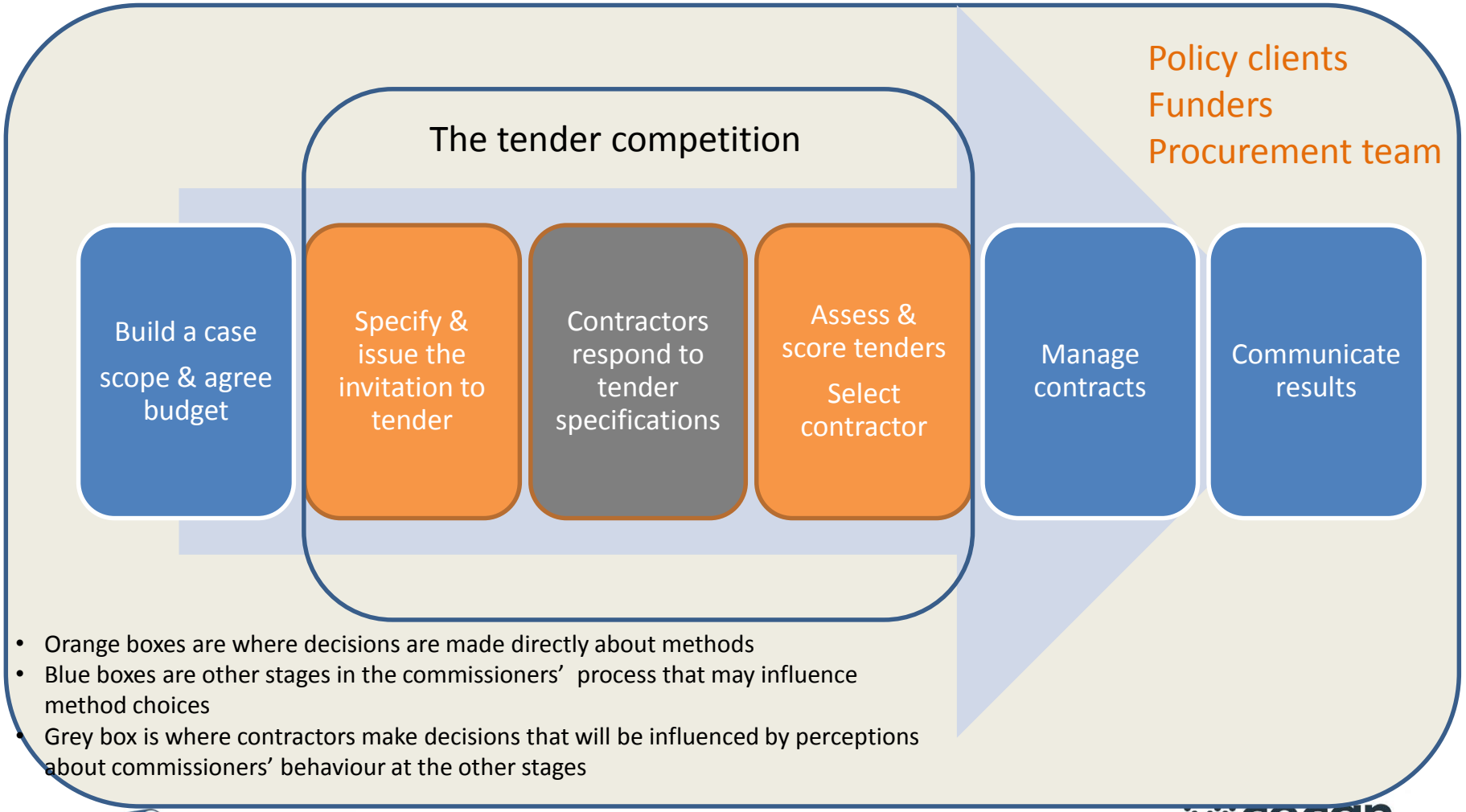
# Focused on those who specify methods during tender competitions




- Orange boxes are where decisions are made directly about methods
- Blue boxes are other stages in the commissioners' process that may influence method choices
- Grey box is where contractors make decisions that will be influenced by perceptions about commissioners' behaviour at the other stages

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# What do we mean by 'complexity-appropriate' evaluation and methods?

"Complexity-appropriate evaluation … is an approach that:

- emphasises adapting to **emerging findings**;
- mandates **iterative** cycles of design, data collection and learning;
- engages **a wide spectrum of stakeholders** at all stages;
- embraces the full complexity of the policy and **context** being evaluated
- assumes we can only **steer** complex systems, rather than **control** them fully."

*Policy Evaluation for a Complex World, CECAN*

Methods that can capture the full complexity of the policy and context being evaluated (e.g. path dependency, emergence, feedback loops, multi-causality)

# Findings – evaluation contexts and upstream barriers

# Change in the evaluation context

## Push to raise the quality of evaluation

establishing new roles to embed evaluation in policy areas

evidence culture and legitimacy – the primacy of experimental methods

## Shrinking budgets

and pressure to squeeze the maximum value out of them

A strong status quo behavioural bias arising from upstream pressures.

Stick with the methods you know will deliver (in budget and on time), and that clients will respect.

*"It's not a playground for trying innovative methods…"*

*"… they want to use things that are tried and tested, that work and they won't get criticised for using if they, for whatever reason, aren't answering all of the questions they might like."*

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# Opportunity – where counterfactual methods aren't suited to features of complexity

- Long-term and potentially iterative outcomes
- Interactions between human and natural systems (inherently complex)
- Devolution of implementation - multiple delivery mechanisms aiming to reach the same outcome
- Area-based programmes – multiple everything and complex interactions
- Boundary definition issues
- Multiple causal paths and combinations of causal factors
- Variable speeds of response, not being able to control for context
- Multiple stakeholders, competing and shifting priorities

# Findings – barriers to commissioning innovative methods

# What are the barriers to innovative methods?

- Attitudes and behaviours around **risk**
- Features of the **commissioning process**

*"I think risk is quite a heavy factor. We have quite tight timetables for a lot of this work and tight budgets, and so there isn't a lot of wiggle room for risk." (Commissioner)*

*"I think that the commissioner has to be really alive to say, 'These are the outcomes we want,' and, 'If you can think of a better way of doing it, then please tell us,' but it's made a lot more difficult by the system. (Commissioner)*

# Risk has many dimensions

Pressure on research budgets heightens risk aversion

| | | |
|---|---|---|
| Fear of the unknown<br>unproven concepts or processes | Lack of appetite for experimentation in tight budgets & timelines | Unproven client demand<br>investment required |
| Difficult to anticipate costs / price<br>and assess VFM | Difficult to assess delivery risk | Risk of failing<br>career or reputation damage |
| Competency to deliver | Competency to manage and QA | Ability to communicate and defend |

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# Features of commissioning processes
# Tight or open specifications?

Many of the commissioners and contractors talked about the influence of tight v open ITT specifications on selecting methods and innovation.

Procurement is seen to favour tight specifications. Open specifications are seen as better for encouraging creativity but have their own issues and risks – 'apples and pears' for commissioners and 'second-guessing' risks for contractors

*"I don't know if some of it [needing a tight spec] is just my preconceptions around procurement and whether there is more flexibility there or not. " (Commissioner)*

# Barriers in the commissioning process

Upstream: evaluation not embedded or 'bolted on'

Procurement rules restrict meaningful dialogue with contractors before a tender competition

A rigid process – lack of time for scoping, locked into budget & methods

Procurement & researchers have different objectives

Budget not given – favours 'tried & tested' methods, minimum necessary

Restrictive formats for explaining methodologies & 'added value' options

Tender assessments and scoring

Inflexible contracts – favours deliverables & KPIs over outcomes & service quality

# Tender assessment may not work well for proposals with creative or new methods

- Expertise of the panel – including procurement's understanding of 'value' in research terms
- Perception that scoring & VFM formulae can't compare "apples & pears" or assess additional options effectively – if they don't 'tick the boxes'
- How the scoring criteria work – technical v financial weightings, bias towards measurable outputs over intangible value
- Splitting sections for assessment (e.g. method & risk or PM) – incomplete view of effectiveness

*The procurement team tries to offer lots of innovative and interesting ways of doing things but doesn't really understand what they're suggesting and what the implications are. (Commissioner)*

*"... they do tend to be box ticking type people, and if there isn't a box to tick it gets into the 'too difficult, therefore, we can't possibly go there' pile...". (Contractor)*

# Findings – barriers to complexity-appropriate methods

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# To keep in mind:

Complexity-appropriate evaluation methods are:

- New / not well-known (in this sample)
- Different in how they work
- Challenge mainstream mindsets - linear ways of thinking about the world and associated methods

# Are there intrinsic features of complexity methods that are barriers to commissioning?

*"I don't think there's anything intrinsic that would stop that happening, but you'd need to design contracts in a way that would enable it to." (Commissioner)*

The most common themes were*:

- How to achieve flexibility
  - specifications & contracts
- How to enable collaborative working
- Cost & timeliness concerns
- How to accommodate multiple stakeholder objectives
- Concern about the usability of findings

* In addition to the wider barriers to innovative methods in previous slides

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# Commissioning barriers: Flexibility

***".. to not know exactly where you're going to end up when you start.." (Contractor)***

- Accommodating uncertainty in scoring frameworks and the understanding of bid assessors:
  - *"...you need the more flexible people, the people that understand the complexities of these projects rather than the number crunching people who don't always understand that things don't follow from A to B to C." (Contractor)*
- Needs responsive resourcing to cope with emergence and iteration
- Constraints of KPIs linked to tightly defined deliverables and milestones with (the threat) of penalties for non-delivery
- Needs active management – extra resource demand for commissioners; PM being comfortable with uncertainty

# Commissioning barriers: costs and timeliness

Some perceived that CA methods are intrinsically more expensive and can't guarantee when they will produce evidence. Anticipated problems were:

- Sticking to agreed timescale & budget:
  - *"..[it] would probably make people nervous" (Contractor)*
  - *".. how do you commission something when you don't know how much work it's going to be?" (Commissioner)*
- Predicting the budget - how many times, when and how big are changes likely to be?
  - *"I think the nature of contracts and the relationships between commissioner and evaluator makes it challenging to implement some of these techniques."* (Contractor)

# Commissioning barriers: Collaborative working

- Co-creation & delivery – contracting models are set-up for arms length working and not for shared goals, risks and benefits (e.g. learning)
- Joint scoping – difficult to access market expertise before specifying the tender, mechanisms are imperfect or artificial (e.g. clarification questions)
- Trust – may be more likely to take risks on experimenting with contractors you trust but long-term partnerships are not enabled

# Solutions

## How could commissioning support the uptake of complexity methods?

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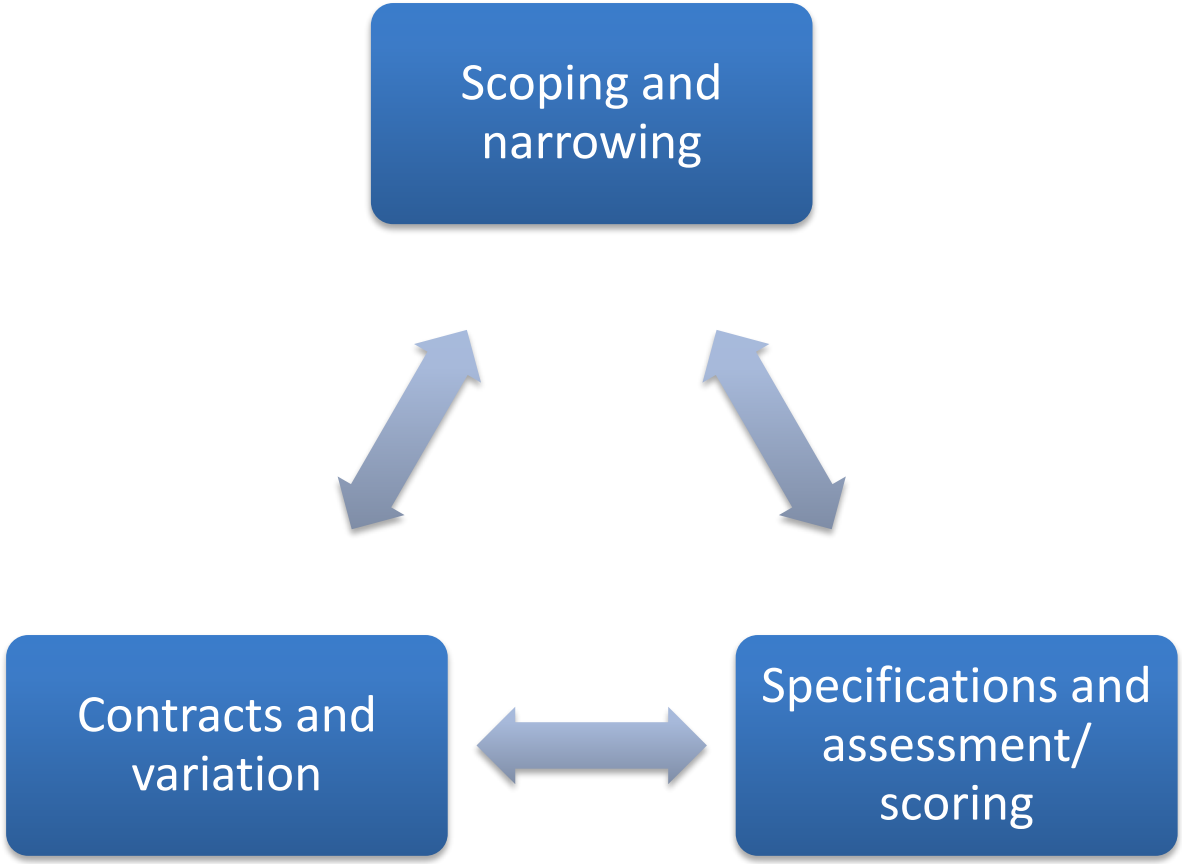
# Changes within existing procurement practice



# Change procurement: scoping & narrowing to enable creativity but weed out *"crazy ideas"*

- Pre-ITT scoping
  - Internal, panel or commissioned studies
  - Not just methods & costs, include delivery and contract risks
  - Allow time to think and iterate

*"..before you went ahead with the commissioning process you might be able to think about how you build in contingencies."* *(Contractor)*

- Bidding process
  - Staged procurement
  - Enable genuine dialogue with suppliers
  - Information days
  - Bidder interviews
  - More time to prepare bids & research options

*"..to think it through and figure out exactly how you would tailor it to those specific questions that are being asked in the specifications."* *(Contractor)*

# Specifications and tender assessment

- Outcome-focused or less prescriptive ITTs, with enough information for contractors to make informed decisions
- Include budget guide (e.g. a range) to give contractors a price floor
- Scoring that rewards:
  - Options (bearing in mind it costs contractors to prepare)
  - Ways of working, insight and outcomes as well as tangible 'deliverables' (i.e. services not products)
- Response templates – enough space to explain fully, PM & risk integral to methods, diagrams

# Contracts & variation

- Use existing flexibility
  - stage gates/review points
  - day rates & contractor expertise over specific deliverables
- Post-award scoping phase without penalising resource (and allowance for re-scoping at review points)
- On-going dialogue – because things change, learning needs to be mutual
- Agile project management & responsive resource allocation, without fear of contract failure
- Useful role for an active risk register

*"..accepting that it's going to be emergent and will need regular reviews of the methodology of the data to really understand whether you're getting the right data, using the right methodology."*
*(Contractor)*

# Other enablers

- Rapid access to expertise - call-off/internal, not procured
- De-risk: test & learn, start small, new areas without history and lock-in to methods
- Learn how to stretch within existing tendering rules from other Departments

*"… So, I guess, you know, it's having people who have got the right experience, who can show that it works and have the confidence to drive something forward and, you know, take a risk on it."* *(Commissioner)*

*[The client's willingness to] "put in a bit of resource, not an enormous amount, into having a go and being open to it working or not working"* *(Contractor)*

*"..it would be interesting to know what good [procurement] practice is out there and how we can learn from that and whether it is really a restriction or not."* *(Commissioner)*

# Higher level – complexity-friendly evidence environment

*"...there is something to be done there at a level above where the ITT gets issued in terms of actually saying 'We are open to these things, these are legitimate methods that should be proposed that we actively encourage' "*

*(Contractor)*

# Build demand and normalise complexity-informed evaluation

| | |
|---|---|
| Knowledge exchange | • Co-ordinated and formalised<br>• Commissioner-focused case studies – what/how it helped |
| Upskill | • Community of practice – existing channels, mentoring, secondment, mutual learning<br>• Official guidance and professional training |
| Champion | • By, and with, individuals with influence, power and access to policy<br>• CECAN engaging with the influencers |
| Business case evidence | • Appropriate and proportionate?<br>• Useful and defendable?<br>• Added value? How does cost compare to alternatives?<br>• Limitations and risks – to answers, delivery, timeliness |

# Implications of the findings

- Many 'barriers' are related to novelty and lack of track record
  - it's partly an innovation problem
  - existing commissioning could be stretched/modified (e.g. bid scoring, contract management)
  - wider & higher level influencing is needed to enhance demand

- Some intrinsic features imply more radical thinking or re-configuring of competitive tendering
  - Dialogue and collaborative working
  - Flexibility in scope and resources

# How can we?

1. Build demand for complexity-appropriate methods?
2. De-risk specifying and proposing complexity-appropriate methods in tender processes?
3. Devise effective scoring for methods involving uncertainty, emergence and iteration?
4. Enable responsive and collaborative delivery and project management?
5. Find alternative models of procurement for complexity?

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# Thank you

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# Complexity-informed evaluation – is it useful?

- Potential benefits
  - Improving understanding of how policies work, for whom and in what contexts
  - Preventing too narrow a focus on 'what works' or VFM/CBA
  - Encouraging cross-directorate evidence collaborations
  - Improving what is commissioned (complexity-informed scoping)

- Potential downsides
  - Risk of going too broad, tells policy nothing worthwhile
  - Risk of talking and not doing, how to prioritise (policy) stakeholder wants where there are multiple interests
  - Question marks about how CAMs deal with attribution

*".. I don't think anyone has really fully addressed that how looking at it from a generative perspective is sufficient and as robust as thinking about the counterfactual…" (Contractor)*

# Complexity thinking – is it useful?

*"...complexity is no different in that you need to make sure that the outputs are genuinely useful otherwise it is a piece of academic work that doesn't land in practice...."*

*(Commissioner)*