



EUROPE

Evaluation of the Productivity Institute Programme

Formative Evaluation

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Preface

This report sets out the findings of the second phase of an evaluation – commissioned by the UK Economic Social and Research Council (ESRC) – of the 2019 Productivity Institute Programme, comprising The Productivity Institute (TPI), the Programme on Innovation and Diffusion (POID) and the thematic investments. This report is likely to be of interest to research funders, policymakers and those working to tackle the UK’s well-recognised productivity challenge. The report may also be of interest to members of the public interested in productivity and research evaluation.

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Executive Summary

The Productivity Institute Programme (PIP) was established in 2019 by the Economic and Social Research Council (ESRC), through an investment of £40m from UKRI's Strategic Priorities Fund (SPF), to address the UK's productivity challenges. The PIP is the ESRC's largest single investment and is implemented through three main investment streams: **The Productivity Institute (TPI)**, receiving £26m to advance understanding of the UK's productivity challenge through a UK-wide network housed in the Alliance Manchester Business School; the **Programme on Innovation and Diffusion (POID)**, an investment of £4m based in the London School of Economics and Political Science (LSE), focused on producing cutting-edge research on how to enable the diffusion of innovative ideas and technologies across the UK economy to boost productivity growth; and an investment of £11m in **seven thematic investments**.

ESRC commissioned RAND and Frontier Economics to conduct an evaluation of the PIP. The aim of the evaluation is to understand the extent to which, and how, the PIP has fulfilled its objectives as listed in its business case. The insights generated by this evaluation will inform ESRC's governance and management of the investment and will inform future research investment priorities and strategy relating to productivity and more widely. **This report represents the second phase of the evaluation**, which is a formative evaluation focusing on initial process evaluation questions. It used a combination of document and data reviews, process mapping, key informant interviews and a workshop. This phase of the evaluation focused only on TPI and POID since the thematic investments had not been made when the work began.

This formative evaluation covered six process evaluation questions each with a high-level theme. We present the **key conclusions** of this stage of the evaluation against those themes below:

- **PIP investments all share the same overarching direction, but the effectiveness of efforts to ensure activities complement each other is limited.** The PIP investments are coherent in that their research agendas cross over at the outcome level, for example, 'new knowledge on productivity'. Otherwise, there is no other evidence of the investments formally working together. The impact that this has had on the coherence of results will be explored in the next evaluation phase.
- **There are strong mechanisms in place for novel and inclusive stakeholder engagement.** The investments have put in place mechanisms to engage with stakeholder groups, particularly policymakers and businesses, and there is evidence of this informing policy development, and of policy and business stakeholders feeding into the work of the programme. Some of these mechanisms – for example, the Regional Productivity Forums (RPFs) – are still developing, and in

part the time taken to establish these structures effectively reflects the efforts made to bring on board novel participants beyond the ‘usual suspects’.

- **PIP has displayed good flexibility at all levels.** The investments have adapted well to external shocks such as Covid-19, rapidly changing their management processes, governance, project timelines and reallocating underspend. The investments also pivoted their research efforts to Covid-19 related productivity issues as well as Brexit and Levelling-Up. These largely reflect the actions we have seen across the research system.
- **Due to the size of the investment, the overall governance structure is complex.** PIP had to go through SPF governance, UKRI sign-off and the Department for Business, Energy & Strategy’s (BEIS) ministerial approval, all of which are resource intensive processes. Multiple stages of governance presented a challenge that has required changes within the investments to address this. Lessons have been learned regarding governance; ESRC and the investments (POID and TPI) have demonstrated significant reflexivity in refining their governance structures over time, in response to official reviews and to feedback between ESRC and each investment. Through resolving issues, the governance structures have been deemed effective in supporting the timely delivery of the investments’ respective goals and those of PIP.
- **There is clear use of M&E to drive improvement, but it would be useful to strengthen the extent to which this feeds into learning at the investment level.** ESRC made improvements to their governance and delivery processes on PIP in response to the Gateway 4 review and GIAA. ESRC oversee monitoring and evaluating for PIP. TPI and POID submit quarterly (previously monthly) reports to ESRC.
- **There is commendable research commitment to environmental, social and corporate governance, but an evidence gap for investment-level actions.** We see a strong commitment, particularly to equality, diversity and inclusion (EDI) and environmental sustainability, reflected in the content of the research conducted by PIP. Both investments have relevant research streams on these themes with significant outputs starting to emerge and some evidence of policy engagement associated with these. However, the evidence on how these issues are addressed within the operation of PIP is limited, and seems to largely correspond to ‘business as usual’ in line with institutional policies and practice. Data on EDI to quantitatively assess performance in this area are not available.

Based upon our formative evaluation activities, we propose the following recommendations to ESRC:

1. **ESRC should arrange regular meetings between the investments and work with them to ensure better knowledge sharing and adequate coordination.** At present, interaction between the investments is uncoordinated and ad-hoc. Although there is no need to ‘force’ collaboration, this lack of regular communication risks duplication and overlap, or key opportunities and gaps in the research landscape being overlooked. Feedback from the investments has been that they have benefited from occasions where they have met to share their work. ESRC should arrange regular (e.g., quarterly) meetings between TPI and POID (and, as appropriate, the thematic investments) for knowledge sharing and planning purposes. By having these regular touchpoints where key

individuals from each of the investments can share their ongoing work and priorities, any natural opportunities for collaboration, sharing of networks and contacts, or other coordination are able to surface. ESRC can act in a coordinating role, and these meetings could also be an opportunity to raise any common operational issues or challenges. These meetings could potentially be aligned with quarterly reporting and those reports shared across participants as briefing materials for the session.

2. **PIP investments need to build on the developing relationships with key stakeholders to deliver meaningful engagement.** It is clear that significant efforts have been made by both investments to put structures in place and build relationships to deliver meaningful bidirectional engagement with key stakeholder groups, including new individuals not previously engaged with productivity research. We see examples of this starting to bear fruit in terms of informing research agendas, but the investments should continue to develop these relationships to ensure engagement is sustained and research is consistently aligned to the needs of research users. The next stage will be to ensure that the work of the investments delivers meaningful outputs and outcomes for those groups that can be implemented, and this will be investigated further in the next phase of the evaluation.
3. **TPI and POID need to significantly improve coordination in their stakeholder management.** At present there is no active coordination in stakeholder engagement activities between the two investments. For example, although there is a distinction between the two investments in terms of the level of focus on national rather than regional or devolved policymakers, both ultimately will be looking to inform UK productivity policy so some overlap in contacts (particularly in central government) may be inevitable. It will be important to ensure consistency and coordination between the investments when engaging those shared key stakeholders and provide clear messaging so it is easy to understand what the two investments offer and where advice can be sought depending on the issue. This may become increasingly important as the investments progress and ways to improve coordination should be considered. This could be one area of focus in quarterly coordination meetings as proposed above.
4. **Both ESRC and the investments should make better use of MEL processes to drive improvement while also ensuring they do not become burdensome.** ESRC have already demonstrated that they are open to adapting monitoring systems in response to feedback with the change from monthly to quarterly reporting. Further feedback that emerges should be acted upon, within the limitations placed by the need to fulfil reporting requirements as an SPF-funded programme. However, we also note that there is the possibility for the investments to make better use of the quarterly monitoring data process to share emerging challenges or support learning, beyond its accountability purpose. At present, there is limited evidence that these regular reporting processes contribute to learning and improvement at the investment level.
5. **ESRC should put in place mechanisms to capture information on and more directly encourage efforts towards EDI in investments.** For future investments of this type and scale, it would be beneficial if ESRC put in place mechanisms to capture EDI information from the application stage onwards. In the first instance it would be useful to have data on the researchers and other core stakeholders involved in the investment (i.e., data on the core protected characteristics of interest:

gender, race and disability). However, ideally this would also capture information on the diversity of the beneficiaries of the research. In addition, ESRC should ask applicants for grants/centres of this size to include EDI statements/action plans to show how, for example, gender equality will be mainstreamed in their operational and research activities.

- 6. Both ESRC and the investments should begin planning for the future of the programme beyond the current investments.** There have been concerns raised over what happens when PIP funding comes to an end. ESRC are already considering ways forward, and the investments should also consider ways forward now – with and without ESRC funding – to ensure a smooth transition process. This could even be included in future programme applications, setting out how the investment plans to attract funds become sustainable. This is standard practice in what works centres, for example, and might be usefully adopted more widely by ESRC.

This report marks the end of the formative stage of the evaluation. The next stage (Phase 3) will involve a process and early impact evaluation of PIP between April 2023 and March 2024. An economic and final impact evaluation will follow between April 2024 and March 2026.

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Abbreviations

ABS	Annual Business Survey
BEIS	Department for Business, Energy & Industrial Strategy
BERD	Business Expenditure on Research & Development
BIEQ	Business impact evaluation question
BoE	Bank of England
BSD	Business Structure Database
CA	Contribution analysis
CBI	Confederation for British Industry
CEP	Centre for Economic Performance
CIPD	Chartered Institute of Personnel and Development
CPE	Centre for Productivity and Efficiency
EBRD	European Bank of Reconstruction and Development
EDI	Equality, diversity and inclusion
EQ	Evaluation question
ERC	Enterprise Research Centre
ESRC	Economic and Social Research Council
FCR	Field citation ratio
FOR	Field of research
FSB	Federation of Small Businesses
GCRF	Global Challenges Research Fund
GtR	Gateway to Research
GVA	Gross value added
HESA-BCI	Higher Education Statistics Agency Business and Community Interaction
HM Treasury	His Majesty's Treasury
IDBR	Inter-Departmental Business Register

ISCF	Industrial Strategy Challenge Fund
IMF	International Monetary Fund
IoD	Institute of Directors
ITT	Invitation to tender
KPI	Key performance indicators
LEP	Local enterprise partnership
LIPSIT	Local Institutions, Productivity, Sustainability and Inclusivity Trade-offs
LSE	London School of Economics and Political Science
MCA	Mayoral combined authority
MIDRI	Multi- and interdisciplinary research and innovation
MP-EE	Management practice and employee engagement
NPIF	National Productivity Investment Fund
OECD	Organisation for Economic Co-operation and Development
OGDs	Other government departments
ONS	Office for National Statistics
PEQ	Process evaluation question
PIEQ	Policy impact evaluation question
PIN	Productivity Insights Network
PIP	Productivity Institute Programme
POID	Programme on Innovation and Diffusion
PPP	Public Private Partnerships
ProPEL Hub	Productivity Outcomes of workplace Practice, Engagement & Learning
PSRE	Public sector research establishment
R&D	Research and development
R&I	Research and innovation
RDA	Regional devolved authority
RIEQ	Research impact evaluation question
RPF	Regional Productivity Forum
SIPF	Strength in Places Fund
SME	Small- and medium-sized enterprise
SPF	Strategic Priorities Fund

SRS	Secure Research Service
ToC	Theory of Change
TPI	The Productivity Institute
UKRI	UK Research and Innovation
VfM	Value for Money
VFMQ	Value for Money Question
WoS	Web of Science

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Finally, we would also like to thank Dr Jonathan Grant and Dr Cagla Stevenson for providing helpful comments and suggestions in reviewing the report.

1. Background and context

This section of the report sets the scene for the formative evaluation. It summarises the context for the PIP, the evaluation aims, methods and report structure.

1.1. The ESRC's Productivity Programme

In response to the productivity challenges facing the UK, the ESRC secured £40m in funding from the SPF (funded by the government's National Productivity Investment Fund (NPIF) in order to establish the Productivity Institute Programme (PIP)). Aimed at understanding and addressing the UK's productivity challenge, the PIP is the single largest investment the ESRC has made.¹

The programme was designed with the following objectives for an initial duration of five years:

- To **drive a step-change improvement in the UK's productivity research and innovation** by creating a sustainable, world-class programme capable of coordinating and leading an ambitious agenda to improve productivity in the UK.
- To **improve and sustain the systematic generation and use of evidence** to address the UK's productivity challenge and **effectively embed cutting-edge research within policymaking** across the UK's sectors and regions.
- To **develop practical interventions for improving productivity based on high-quality evidence** that will inform policymaking and organisational decision making across the UK.
- To **involve all relevant stakeholders**, especially those from unrepresented and underrepresented places, groups and sectors.
- To **support the formation of a dynamic multidisciplinary community** working together on research and practical interventions to address the UK's productivity challenge.
- To **form enduring and sustainable structures to facilitate mutual engagement between researchers, policymakers and businesses**.

The PIP was originally designed as a single institute investment, yet consists of three separate investment streams. These are: The Productivity Institute (TPI), Programme on Innovation and Diffusion (POID) and a series of thematic investments. TPI is the largest single component of the PIP, with a £32m

¹ ESRC (2022a).

investment. It is located in the Alliance Manchester Business School, where it acts as a research hub to drive better understanding of the UK's productivity challenge. In order to produce world-class productivity research, TPI engage with private and public sector stakeholders in the pursuit of building the UK's long-term research capacity. TPI are able to set up such engagement, through the use of their Regional Productivity Forums (RPFs) and a Productivity Commission. The eight RPFs are run regionally by TPI's academic partners, who together, cover a wide range of different themes, such as Human Capital, Knowledge Capital, Organisational Capital, Institutions & Governance, Macroeconomic trends & policy, Measurement & methods, Geography & Place, Transitions and Productivity Studies. The Productivity Commission enables policy development at a national level, while local policy issues are addressed by the RPFs. TPI also signed a memorandum of understanding with Be The Business, a business support charity, in order to engage with SMEs. TPI is joint funded by the ESRC and the Alliance Manchester Business School.²

POID, based in LSE, is a £5m programme, funded jointly by the ESRC and LSE, focusing primarily on cutting-edge research on how to enable the diffusion of innovative ideas and technology across the UK's economy to boost productivity growth.³ POID work with stakeholders across academia, government and the private sector in order to understand and develop policy in line with diffusing innovation across the economy. POID also aims to create and facilitate accessibility to high-quality data to improve the overall understanding of productivity in the UK, strengthening businesses and policymakers' evidence base for establishing practical interventions to improve productivity. Themes covered by POID include industrial and innovation policy, wages and firms, healthcare and the economy, finance and innovation, power in the firm, and green growth and directed technical change.

PIP's thematic investments cover a series of seven thematic research projects, commissioned between 2022 and 2023 with initial investments of roughly £2m, focused on:

- Productivity, Wages and the Labour Market, led by the Institute for Fiscal Studies (IFS).
- Diversity and UK Firm Performance, led by University College London (UCL).
- Diversity and Productivity: from Education to Work (DaPEW), led by the LSE.
- Understanding how constraints on access to finance and underinvestment impact on productivity growth in smaller firms, led by Oxford Brookes University.
- Understanding how servitisation⁴ can impact UK economic productivity and environmental performance, led by Aston University.
- Productive and Inclusive Net Zero (PRINZ): opportunities and barriers in the transition to sustainable and equitable growth, led by Imperial College London.

² BEIS (2021).

³ LSE (2022a).

⁴ Servitisation is where customers pay for a service – such as air conditioning – rather than buying the equipment themselves.

- Mental health and well-being practices, outcomes and productivity: a causal analysis, led by University of Warwick.

These thematic investments will be conducted alongside the last three years of the PIP's lifespan (from April 2022 onwards) to cover important productivity-related themes that are not captured by the scope of PIP and POID.⁵ The thematic investments were not covered by this phase of the evaluation as the funding had not been allocated at the point this work began. The thematic investments will be integrated into the evaluation from Phase 3 onwards.

1.2. Aims of the formative evaluation

In the previous phase of this evaluation, we created an evaluation framework to develop a detailed evaluation approach, including data collection and analysis methods, to provide the basis for robust impact and process evaluations. The framework was developed based on document and literature review, interviews and a workshop with ESRC, TPI and POID. The framework includes a Theory of Change (ToC). Based on this ToC, and the questions provided in the invitation to tender (ITT), we have developed a refined set of evaluation questions (EQs), which form the basis of this report's scope. First, we have a set of process EQs that investigate how the PIP is managed and delivered in a way that facilitates the achievement of its impacts. The impact EQs are structured around three impact areas identified in the ToC: research, policy and business. These will be utilised in the next phase of the evaluation during stage 3.

This report establishes whether the operational processes within the PIP are resulting in effective delivery and performance. In addition, we will also identify areas for improvement. To achieve this, the evaluation focused on reviewing the effectiveness of processes at the investment level, their alignment to ESRC priorities, and programme and fund level aims.

This report will highlight how well initiatives have been involving stakeholders and will uncover how mechanisms for co-creation have translated from vision to practice, process and reach. It will also detail how PIP considerations have been made around equality, diversity and inclusion (EDI), environmental sustainability and good people management, and how these have been embedded into investment level processes.

As such, this formative evaluation will address the process evaluation questions agreed with the client, ESRC, PEQ1, PEQ2, PEQ4, PEQ5, PEQ6 and PEQ8, as shown in Table 1.

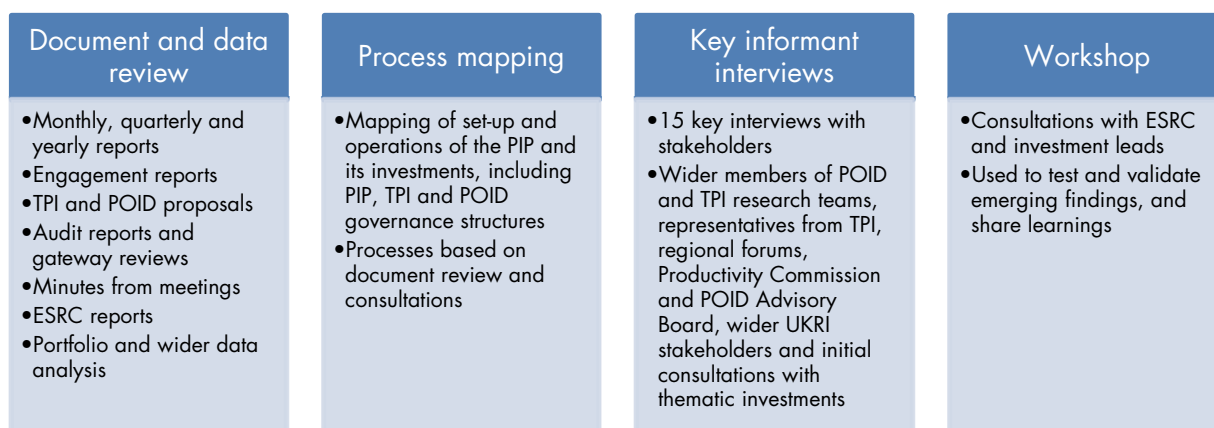
⁵ ESRC (2022c).

Table 1: Formative evaluation Process Evaluation Questions

PEQ1	To what extent, and how effectively, are the investments co-ordinated and together amount to a coherent programme?
PEQ2	PEQ2. How has the design, commissioning and delivery of the PIP identified, addressed and engaged with the needs of policymakers, businesses, researchers and wider academic stakeholders, and workers and worker representatives, and what has this meant for ongoing programme design and delivery?
PEQ4	How well has the programme adjusted and adapted appropriately to a changing landscape (e.g. Covid-19, net-zero transition)?
PEQ5	How have ESRC, TPI, POID and thematic investment governance systems supported and enabled the timely delivery of research, engagement and training activities?
PEQ6	How has the programme used monitoring, evaluation and learning to drive continuous improvements in planning and delivery?
PEQ8	To what extent has the programme demonstrated a commitment to: <ul style="list-style-type: none"> ○ Equality, diversity and inclusion ○ Environmental Sustainability ○ Good people-management practices across its approach to achieving business, policy academic impact?

1.3. Methods

Figure 1: Methods summary



The methods used to conduct this formative evaluation are summarised in Figure 2 below. In this report, the primary is on TPI and POID, given that Thematic Investments are still ongoing.

Document and data review

Documents and data were reviewed at the programme and investment level, including an analysis of monthly, quarterly and annual reports, minutes from panel meetings, ESRC meetings, and business and policy stakeholder groups. Other reviewed documentation included audit reports, such as the PIP GIAA audit, and the Gateway 4 review. These reviewed documents enabled a mapping of findings to our evaluation questions as described above in Table 1. A review of applicant and award holder data at the

programme and investment level was also reviewed to analyse the diversity and reach of the applicant and award holder pool, as well as the compositions of relevant groups such as TPI's regional forums.

Process mapping

A process mapping exercise was conducted to support the evaluations' understanding on PIP processes and how they are working in practice. A process map provides a visual representation of processes or structures involved in achieving the goals of a programme or task. In this report, process maps were developed in conjunction with evidence from the document review to map the governance structures of the PIP (see Figure 3), TPI (see Figure 4) and POID (see Figure 5).

Key informant interviews

We conducted 15 interviews with relevant stakeholders in order to understand a range of experiences, with a focus on how processes contributed to the delivery of TPI, POID and the overall programme. Prior consultations were made with the ESRC and investments to understand which individuals were best to speak to, and how to engage with them to maximise their contribution to this evaluation. Interviewees were divided into four categories:

- Wider members of POID and TPI research team (beyond investment leads) (n=9).
- Representatives from TPI regional forums, Productivity Commission and POID advisory board (n=2).
- Wider UKRI Stakeholders involved in the establishment and governance of the PIP (n=3).
- Initial consultations with Thematic Investments (n=1).

Privacy and General Data Protection Regulation (GDPR) considerations were taken into account when conducting interviews. Interviewees were informed that they would not be identified in reporting, in order to ensure they felt comfortable sharing their experiences of PIP and investment processes. Interviewees were also informed that no direct quotations would be used that could identify them or be attributed to them. Prior to conducting interviews, RAND Europe ensured that interviewees had received a privacy notice, which set out how interviewees' data would be used. This privacy notice set out interviewees' rights under GDPR, specifically their right to access, correct or erase their personal data, and to object to the processing of their personal data. In order to maintain anonymity, interviewees are identified throughout this report using the format INT_XX, where XX is an identifier given to each interview.

Workshop with key PIP stakeholders

The purpose of this workshop with key PIP stakeholders was to share headline findings, and as a group, discuss gaps, reflect on the validity and interpretation of emerging findings, and engage in a shared discussion on lessons learned and potential recommendations.

A breakdown of stakeholders involved in this workshop is as follows:

- POID (n=2) and TPI (n=3)
- ESRC (n=5)

- RAND Europe (n=3) and Frontier Economics (n=1)

The results of this workshop fed into our overarching analysis within this report. Key themes covered in this workshop included: complementarity of investments, stakeholder engagement, adaptation and flexibility, programme governance, monitoring, evaluating and learning, environmental, social and governance, lessons learned and recommendations.

1.4. Limitations of the formative evaluation

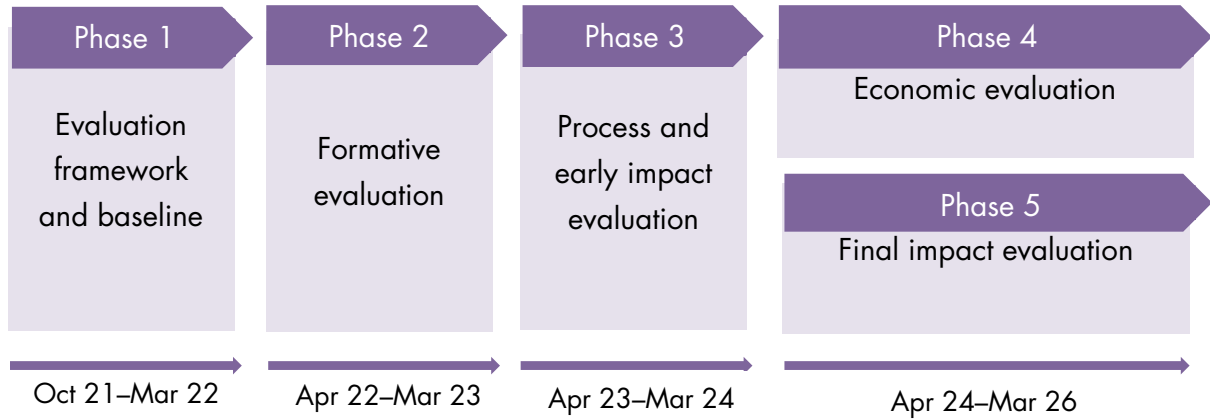
The key limitation of this stage of the evaluation is inherently linked to its function and objectives. A formative picture misses the comprehensive detail of a full process and impact evaluation, which will occur in the next stages of the evaluation. However, there were some limitations in the data worth noting here that we will aim to explore in further phases of the evaluation:

- There were limited data available on environment, social and governance considerations, both within the investments and of their research. Data availability was particularly acute on the topics of environmental sustainability and good people management.
- No data are available on EDI within the programme so this could not be assessed quantitatively.
- At this stage, we primarily conducted interviews with individuals who are ‘internal’ to the programme in some way – researchers involved in the programme and individuals involved in the programme operation and delivery. This is by design, and wider external perspectives will be sought in later stages of the evaluation. However, it means the perspectives presented within this report are limited to those internal to the PIP.
- This formative evaluation focuses only on the two initial PIP investments, TPI and POID. The thematic investments were made during the course of this phase of the evaluation and hence were not included in this phase. We will look at the thematic investments from Phase 3 onwards.

1.5. Structure of the report

This evaluation is structured in five phases, as shown in Figure 2 below:

Figure 2: Evaluation structure



This report highlights our findings from the Formative evaluation (phase 2) of this evaluation plan. The formative evaluation is the second deliverable in the five-phase evaluation plan, and is structured into the following sections:

- Section 1 (current section), outlining the context, and background of the report.
- Section 2, on the results obtained by our investigation into establishing whether operational processes within the PIP are resulting in effective delivery and performance.
- Section 3, conclusions, consolidating and summarising the key themes and messages captured in our analysis of information.
- Section 4, recommendations that draw on all evidence in order to provide suggestions about which parts of the PIP worked well/not so well in the delivery and performance of the programme, highlighting potential areas for learning and improvement.
- Section 5, next steps for the evaluation, moving into the process and impact evaluation.

2. Results

This section of the report summarises the findings of the formative evaluation thematically by process evaluation questions.

2.1. Complementarity of the investments

This sub-section aims to address PEQ1: *To what extent, and how effectively, are the investments co-ordinated and together amount to a coherent programme?*

We consider ‘complementarity’ at two levels in the context of PIP: intention and activity. Intention covers the coherence of the formal objectives, structures and governance of the PIP and its investments, whereas activity covers the complementary actions that exist in practice. This situates us on the left of the Theory of Change (ToC) (see Annex A).

We will further explore the true test of complementarity later on in the evaluation to appraise the coherence of PIP’s results, aggregated across investments.

2.1.1. Programme design

It is worth first setting the scene as to how and why PIP is structured the way it is. The configuration of PIP – two major grants plus thematic investments – was a product of the proposals received and the assessment and awarding processes, rather than a preordained design decision. The assessment panel felt that one of the proposals (TPI) better resembled an institute-style programme of work, compared with other proposals that were viewed as collections of work packages. According to one interviewee, the panel had intended to provide funding for an overarching institute that would include various thematic investments, one of which was POID. However, the PI for POID recommended that the investments be formally separated instead. As a result, while POID is still technically part of the larger institute, the institute itself is essentially just a name and does not have any real operational or organisational significance.⁶

TPI and POID are structurally autonomous grants and have no formal shared research agenda.⁷ TPI is focused on UK-specific productivity concerns, whereas POID is aligned to a global research agenda on productivity. We heard no evidence that ESRC had built in any specific design or governance processes to ensure that the investments complemented one another in their research or strategic objectives. The

⁶ INT-5.

⁷ INT-9.

assessment panel had considered complementarity in its recommendation before the decision was made to separate TPI and POID.

We found no other evidence of formal complementarity at the input, for example research funding level, which might have included shared access to data sources, common networks/fora or governance. We outline some indirect links below.

2.1.2. Activities

PIP's constituent parts have not formed formal research collaborations, and while relationships do exist, for example, between TPI and deputy-director, Dr Anna Valero,⁸ these do not extend beyond the ad-hoc sharing of networks and attendance at conferences and meetings.⁹ However, the investments do not cite any negative effects in this regard, preferring to informally collaborate on an 'organic' basis driven by mutual research and dissemination interests. Both investments monitor the other's outputs and amplify them within their networks and on social media. although TPI and POID agreed on the opportunities to improve coordination etc., the investments feel any ESRC intervention built in formal complementarity is unnecessary.¹⁰

There are some indirect examples of coherence where the investments' research might complement one another. This link is most clearly exemplified by Jonathan Haskell who has worked across TPI and POID on better understanding the UK's productivity puzzle by comparing UK performance against other countries on a range of metrics and how they are measured, mainly on intangible capital and patenting.^{11,12} He featured on the TPI podcast 'Productivity Puzzles' with Professor van Ark talking about measuring productivity in the modern economy. Haskell featured on the proposals for both investments, which may explain this exception to the separate research activities of TPI and POID.

There were otherwise no reported formal collaborations or complementary activities between investments, such as training and capacity development, communications or stakeholder engagement. However, there is willingness to find future areas of research collaboration between the investments, for the right purpose at the right time.¹³

Stakeholder views show a diverse range of opinions on the extent to which these informal, ad-hoc interactions are sufficient to ensure coherence between the investments. the effectiveness of these interactions is, therefore, unclear at this point. The impact on the outputs of the programme will be investigated in later stages of the evaluation. Broadly, looking at the research agendas of the two investments we do not see excessive overlap or duplications, but less clear is whether there are any gaps or missed opportunities. The investments are clear that there are not any major issues due to a lack of formal

⁸ TPI (2022a).

⁹ INT-10, INT-2.

¹⁰ RAND Europe (2023).

¹¹ LSE (2022b).

¹² TPI (2022b).

¹³ INT-8.

coordination but this merits further investigation in later stages of the evaluation as we explore outputs and outcomes.

2.2. Stakeholder engagement

This sub-section aims to address *PEQ2: How has the design, commissioning, and delivery of the Productivity Programme identified, addressed and engaged with the needs of: Policymakers, Businesses, Researchers and wider academic stakeholders, Workers and worker representatives; and what this has meant for ongoing programme design and delivery.*

The Productivity Programme (PIP) has taken advantage of existing channels of communication and developed new ones to address and engage with the needs of key stakeholders. We analyse this looking first at multi-stakeholder mechanisms for engagement, then focusing in on engagement approaches with policymakers, businesses, academics and researchers, and trade unions and workers' representatives.

During the fieldwork and in meetings with RAND after the Phase 1 report, board members raised concerns regarding the coordination of activities, research agendas and stakeholder engagement. This issue was deemed significant and will be addressed in Phase 3 of the evaluation.

2.2.1. Multi-stakeholder mechanisms

While the Steering and Impact Committee of TPI includes members from all four major stakeholder groups – policymakers, business representatives, academics and workers' representatives – the Institute created other structures to help with outreach, including the National Policy Committee,¹⁴ the Productivity Commission, the Regional Productivity Forums (RPFs), a fellowship programme and a secondment programme. Engagement for both the Productivity Commission and RPFs mainly takes the form of requesting feedback on research papers and oral evidence sessions.¹⁵ The RPF green papers on productivity in the three devolved nations and five English regions go through a review process.¹⁶ The International and UK policy fellowship programme is designed to co-deliver research as well as develop lasting relationships among different sectors for four types of recipients: 1) UK academics, 2) International academics, 3) Policymakers and 4) Practitioners.¹⁷ The Business/Policy and Inter-University Career Development secondment programme supports research led by early career researchers located outside the Institute partnership.¹⁸

Despite these dedicated structures for stakeholder engagement with TPI – and significant effort dedicated to their development – there has been mixed feedback on their effectiveness. Interviews have highlighted that the Productivity Commission may be underbudgeted to conduct its planned activity. According to one

¹⁴ TPI (2020b).

¹⁵ ESRC (2021c, 3: 35).

¹⁶ TPI (2022e, 3: 1819); TPI (2021h); TPI 2021c; TPI (2021f).

¹⁷ TPI (2020a).

¹⁸ TPI (2022e).

interviewee, the Productivity Commission, alongside the RPFs, is yet to deliver on its priorities.¹⁹ In particular, the length of the feedback process for RPF green papers has been criticised as impeding their publication.²⁰ This mixed feedback is likely in part due to the stage of development of these fora, which have taken time to establish, and hence impact might not be expected at this stage. In addition, it is clear – particularly in the case of the RPFs – that TPI have made significant efforts to engage novel participation in these fora. While this is positive, it may also contribute to a longer start up time, before the full potential of these groups can be realised.

TPI's content creation strategy also promotes wider communication across all stakeholder groups, including the general public. A weekly eBulletin, social media posts (e.g., Twitter, LinkedIn) and the members' area of the TPI website, are additional mechanisms for engaging with non-academic audiences.²¹ TPI also produced a podcast series with Capita, a consultancy, where speakers discussed matters related to productivity²² and published various reports, scoping papers and blogs.²³

POID created an Advisory Committee to ensure the concerns of all four stakeholder groups are addressed across its portfolio of work. The Advisory Committee makes suggestions and scrutinises the work of POID, with insights integrated into POID's research agenda.²⁴ POID's perception is that this is functioning effectively.

2.2.2. Policymakers

Across PIP, ongoing communication with policymakers is evident, and there are some emerging examples of active policy engagement to inform research agendas. TPI chose to engage with policymakers by finding ways to provide them with evidence. TPI researchers publicly commented on UK policies,²⁵ delivered presentations to parliamentary committees²⁶ and spoke at national and international events.²⁷ Among the national events attended, TPI co-hosted the Perspectives in Productivity Governance and Institutions workshops together with the National Institute of Economic and Social Research in April 2021.²⁸ Some TPI researchers presented on the TPI Green Recovery Packages paper as well as place-based partnerships/levelling up at events organised by UK political parties.²⁹

¹⁹ HE interviews.

²⁰ TPI (2021h).

²¹ TPI 2021a.

²² TPI (2021f); TPI (2021h).

²³ ESRC (2021a); ESRC (2021b); TPI (2021h).

²⁴ POID (2022b).

²⁵ TPI (2021c).

²⁶ Bart van Ark provided evidence to the Commons Treasury Committee inquiry into jobs, growth and productivity after coronavirus in July; TPI (2021h).

²⁷ TPI (2021a).

²⁸ TPI (2021f).

²⁹ TPI (2021a).

It appears these mechanisms of communication may have increased opportunities to influence policies, at both the national and the regional level, reflecting TPI's strategy to engage with policymakers at a range of levels rather than just nationally. For example, TPI researchers met with members of the Skills and Productivity Board to discuss aligned projects and initiatives and held two meetings with the North East LEP to explore how it can work together with the PIP.³⁰ The HMT Green Book cited TPI research conducted by Professor Eugenio Proto on happiness and productivity.³¹ This will be explored in more detail during the third phase of our evaluation.

In addition to publishing blogs and reports,³² POID has been actively engaging with policymakers through a mix of informal and formal channels, including policy commentary, evidence at select committees, written submissions and membership to government advisory groups. These activities have led to an informal feedback loop with policymakers, resulting in new research agendas. For example, after presenting at events, POID reports that policymakers have expressed interest in exploring the relationship between technology and work, including worker representation.³³

Anna Valero, Deputy Director of POID, participated in a private roundtable with the Minister for Skills in July 2021, and POID researchers have been involved in meetings with the Green Jobs Taskforce at BEIS.³⁴ Additionally, John van Reenen, a commissioner on the Pissarides Future of Work Programme, has been involved in meetings with the Institute for Engineers, which have included policymakers and academics.³⁵ POID researchers plan to undertake a more in-depth analysis of green jobs in the UK as part of the CEP-Resolution Foundation Economy 2030 Inquiry, which aims to help UK policymakers handle economic changes in the 2020s.³⁶

It is worth noting that while these activities have been successful in engaging with policymakers, it is unclear to what extent they reflect stakeholder needs or opportunities. The impact of these activities will be picked up in later phases of the evaluation.

2.2.3. Businesses

Across PIP we see relationships developing between the investments and businesses and sector representatives, with some examples – particularly for TPI – of these informing research agendas.

For business stakeholders, TPI promoted engagement through one-to-one meetings to plan research projects³⁷ and maintaining a strong presence at events (e.g., virtual events, seminars and conferences),³⁸ mostly through presentations and hosting a conference catered to the business community. The TPI

³⁰ TPI 2021a.

³¹ TPI 2021a; TPI (2021j).

³² ESRC (2021b).

³³ POID (2021e).

³⁴ POID (2021e).

³⁵ RAND Europe Workshop.

³⁶ POID (2021e).

³⁷ TPI 2022e; TPI 2021a

³⁸ TPI (2021j); TPI (2021f); 202201 SPF W2 Monthly report; TPI (2021j, 1: 2272 - 1: 2700); TPI (2021a).

Business Conference included panel sessions led by RPF Chairs and drew from 150 to 170 guests.³⁹ These exchanges with the commercial community helped make insights gathered through existing research programmes relevant to businesses.⁴⁰ TPI also hired a Business Engagement Officer, to support effective engagement.⁴¹ For TPI, it is important to understand the wider business community's perspectives on and challenges to productivity. TPI is keen to engage those who have not been involved in the productivity conversation before, such as IT, HR and marketing directors in larger organisations, who make decisions on investments, technology and digital skills training, all of which can play an important role in productivity.⁴²

We also see a range of business interactions documented for POID. The programme met with the head of Ernst and Young Global Supply Chain,⁴³ hosted an LSE roundtable event on Covid-19 and business technology adoption,⁴⁴ asked some of its members to contribute to a Net-Zero related course for business professionals led by UCL and UEA,⁴⁵ attempted to collaborate with the OECD on technology adoption with respect to organisational change in businesses⁴⁶ and partnered with a business representative organisation, CBI, to conduct research on how firms have responded to the pandemic through technological adaptation.⁴⁷ According to its Advisory Committee, POID's work on innovation adoption during the pandemic as well as industry, health and the role of firms, was evaluated positively by the business community.⁴⁸

2.2.4. Academics and researchers

For academic researchers, both TPI and POID largely took the same approach. TPI researchers have presented at various seminars, roundtables and conferences, some of which were organised by the Institute itself.⁴⁹ POID has done the same.⁵⁰ TPI scholars also wrote papers on behalf of the PIP,⁵¹ collaborated with international institutes on publications,⁵² and have plans to create a focused peer-reviewed series on

³⁹ TPI (2021g, 2|13); TPI (2021a).

⁴⁰ Minutes GC meeting 18 Feb 22 – final.

⁴¹ TPI (2021n); LSE (2022c).

⁴² RAND Europe. 2023. Formative evaluation workshop - January 23.

⁴³ POID (2021d).

⁴⁴ POID (2021c, 13: 785 - 13: 957).

⁴⁵ POID (2022a, 1: 556 - 1: 743).

⁴⁶ Minutes_12 Oct 2021_v2_FINAL.

⁴⁷ POID (2021e, 14); POID (2021c, 4: 607 - 4: 990).

⁴⁸ TPI (2022h, 19-21).

⁴⁹ TPI (2022e, 1: 6761 - 1: 7781); TPI (2021m); TPI (2021a); TPI (2021f, 1: 8082 - 1: 8187); TPI (2021i, 1: 901); TPI (2021c).

⁵⁰ POID (2021e, 8: 3 - 8: 207); POID (2021d); POID (2021c, 4: 328 - 4: 605); POID (2021f); POID (2022c); POID (2022d, 2: 786 - 2: 954).

⁵¹ TPI (2020b, 1: 2886 - 1: 3216).

⁵² TPI (2021h, 1: 7293 - 1: 7475).

productivity with Cambridge University Press.⁵³ POID researchers developed working papers,⁵⁴ contributed to think tank reports⁵⁵ and produced numerous academic publications.⁵⁶ The fellowships mentioned earlier benefit researchers as well, allowing them to work ‘within or alongside business’⁵⁷ and to conduct work outside the Institute partnership.⁵⁸

2.2.5. Trade Unions and Worker Representatives

We have not found evidence that either TPI or POID has engaged with or addressed the needs of workers’ representatives, despite their identification as key targets of stakeholder engagement in both the proposals of TPI and POID. TPI can claim to have their presence on both the Governing Council⁵⁹ and Steering and Impact Committee;⁶⁰ the latter representative raised this lack of involvement from ‘vital social partners’ as affecting how the institute speaks about and measures productivity.⁶¹ POID does not have identified structures in place to engage with worker representatives at present.

2.3. Flexibility and adaptability

This sub-section aims to address PEQ4: *How well has the programme adjusted and adapted appropriately to a changing landscape (e.g., Covid-19, net-zero transition)?*

The Productivity Institute Programme (PIP) has adjusted and adapted appropriately to a changing landscape through various means. As explained by the POID PI, the ability of the programme to make such adaptations is down to the key distinguishing feature between a normal grant, and funding for a research centre - the latter of which provides the flexibility to shift research focus and respond to political needs, and uncertain events.⁶²

2.3.1. Covid-19

Within both TPI and POID, the early 2020 onset of Covid-19 has impacted a number of research and management activities. For example, the University of Manchester’s ‘**Institutions of Innovation**’ project was initially scheduled to finish on 1 February 2021 and was subsequently delayed as a result of the pandemic. To rectify this delay, TPI offered an extension to the overall date of delivery for the project,

⁵³ TPI (2021i, 1: 8688 - 1: 8791).

⁵⁴ POID (2021d).

⁵⁵ POID (2021c, 7: 739 - 7: 966).

⁵⁶ POID (2021a).

⁵⁷ TPI (2022e, 1: 5350 - 1: 5545).

⁵⁸ POID (2021g); TPI (2022e, 1: 5662 - 1: 5820).

⁵⁹ Kate Bell of the TUC sits on the TPI Governing Council (Management letter Governing Council).

⁶⁰ Lawrence Jeff Johnson of the ILO sits on the Steering and Impact Committee (LSE 2022c, 5).

⁶¹ Steering and Impact Committee 20th Oct 21.

⁶² INT_9, 9.

thereby freeing up time constraints and capacity issues to enable the project team to work more effectively on their research.⁶³

RPF Insight Papers have been impacted by lockdowns, resulting in an inability to engage with businesses in a face-to-face manner, which has subsequently delayed development and the ability of RPFs to prioritise business innovation projects in their insight findings. To put this delay back on track, TPI's Engagement and Operations director began to work closely with the Business Engagement Lead, Research Director and the Business Insights Team, to assist in fast tracking business innovation projects in 2022.⁶⁴

These examples show the willingness and flexibility on the side of TPI to adapt their timings and management to accommodate unforeseen disruptions to their core research endeavours.

It is worth noting that delays due to Covid-19 were seen across the board in the UK, and while this did impact the programme's research agenda, TPI were not as behind schedule as other programmes. This is because most TPI staff were comparatively less vulnerable to disruptions such as lockdown, as they were able to work from home with adequate digital resources.⁶⁵

Although interviewees generally felt that TPI had made adequate adaptations to Covid-19, there were significant knock-on effects caused by amplified delays on not only research, but activities and processes. Delays have been seen in several activities, such as business conferences,⁶⁶ business engagement events,⁶⁷ recruitment (e.g., Governing Council Chair and members)⁶⁸ and other processes and activities such as establishing consortium agreements.⁶⁹

While delays impacted the overall timeline and plans of TPI's established processes, several delays specifically impacted TPI's spend to date, which has been argued to have led to a large underspend.⁷⁰ To rectify this, TPI has adapted by creating action plans to get spending back on track, and to accelerate their overall activity.⁷¹ The underspend at TPI has also resulted from Covid-19's impact on travel, in-person conferences, and delayed appointments of staff and researchers. The total underspend in the first year of TPI was 8 per cent. Years 3–5 were targeted at being higher than proportional to balance this out.⁷²

TPI has also stated that they will be encouraging Co-Is to advise early on whether workloads or deadlines need revising. The Engagement & Operations Director monitored workloads carefully, to provide a flexible approach to working, encouraging office working where appropriate, but mostly allowing for hybrid working.⁷³

⁶³ TPI (2022d).

⁶⁴ TPI (2022d).

⁶⁵ 'INT_6', 6.

⁶⁶ TPI (2022f).

⁶⁷ TPI (2022d).

⁶⁸ TPI (2020c).

⁶⁹ TPI (2020c).

⁷⁰ 'INT_2', 2.

⁷¹ TPI (2022e).

⁷² TPI (2021e).

⁷³ TPI (2022c).

In response to the Covid-19 outbreak, both POID and TPI made changes and adaptations to the research topics within scope to accommodate the effects the pandemic was having on the economy and productivity in the UK.⁷⁴ Examples are listed below in Table 2. It is also worth highlighting the fact the programme was commissioned during the pandemic and therefore several of the research and process designs were directly influenced by that wider environment.⁷⁵

Table 2: Research adaptations

Research	Details	Description
Research papers	Covid-19 impacts on productivity	Five projects completed (mostly related to the Covid-19 impacts on productivity), about a dozen in progress and another dozen awaiting hiring or still under review. ⁷⁶
Research project	Rapid response projects	Six studies were 'rapid response' projects to specific Covid-19 related issues. Some examples include: Covid-19 business support and SME productivity in the UK (Professor Roper, Dr Jibril and Professor Hart), Public Investments in Covid-19 Green Recovery Packages (Geels, Pereira & Pinkse), Productivity in UK healthcare during and after the Covid-19 pandemic (Coyle, Dreesbeimdieck & Manley), Productivity and the pandemic (Erumban & van Ark). ⁷⁷
Research Tool	POID Business Survival Tracker	POID launched a business survival tracker that is updated periodically to monitor business risk in response to the pandemic. Latest reports show a great deal of improvement as the impact of vaccination efforts is felt in business confidence, but risks still remain, especially with the withdrawal of support streams. ⁷⁸

Both investments noted the importance of flexibility within the scope of their research to respond to the challenges of the Covid-19 pandemic. As previously mentioned, according to the POID PI, this adaptability was made possible by the unique benefits a research institute/centre can provide in ensuring that enough scope in the programme can be adapted to a changing landscape. The reactive adjustments made by TPI and POID highlight the ability of the programme continuously to react to changing landscapes. However, it is also worth noting that these measures were taken in the absence of a futures and foresight planning structure that could have been built into plans upfront to create more proactiveness in developing flexibility.⁷⁹

⁷⁴ INT_6, 6; INT_9.

⁷⁵ RAND Europe. 2023. Formative evaluation workshop - January 23.

⁷⁶ Management Letter 20-10-21.

⁷⁷ TPI (2020a).

⁷⁸ POID (2021e).

⁷⁹ RAND Europe. 2023. Formative evaluation workshop - January 23.

2.3.2. Changing political landscapes

The PIP has effectively adapted not only to the onset of Covid-19 but also to rapidly changing political landscapes. To do so, TPI has kept up to date with the focus of politics to inform their research, including planning for upcoming elections and assessing the right time to influence political parties and civil servants.⁸⁰ However, according to one interviewee, adapting to shifting political landscapes may not be in the best interest of TPI's research focus and clarity, potentially broadening the research scope too far from the original plan.⁸¹ One specific area of focus for TPI is the UK government's Levelling-up agenda, which is a hot topic for TPI's RPFs. TPI remains sensitive to the needs of RPFs and assists them in pursuing regional growth.⁸²

POID have made a number of additional research adaptations to recent political events, namely the UK and global energy crisis, developments unfolding in Ukraine, and the associated impacts these factors have on the UK economy as a whole. Brexit received significant attention from POID, who aimed a portion of their activity and research themes to include Brexit-related material. Some examples include, a research project around global value chains, '*We are also piloting some separate work that goes into more depth on global value chains: a major issue in the Brexit and Covid-19 era has been the resilience of supply chains,*⁸³ a research publication report centred around '*considering the UK's strength against other countries and what our strength says about future opportunities but also risks given the changes in terms of Brexit, Covid-19, etc.*⁸⁴ and meetings with Andrea Coscellim CEO of CMA to discuss post-brexit competition policy.⁸⁵

2.4. Governance of the programme

This sub-section aims to address PEQ5: *How have ESRC, TPI, POID and thematic investment management governance systems supported and enabled the timely delivery of research, engagement and training activities?*

We consider the governance of the entire programme, including the programme commissioning processes and ESRC's role as funder. The ToC describes how ESRC's existing capabilities and experience in running research programmes, including prior productivity research, were a key enabler in establishing PIP. Robust and effective governance is an underlying assumption in the success of the programme. We assess these elements and how they have affected the delivery of programme activities in this section, split by: ESRC, TPI and POID.

⁸⁰ INT_10, 10.

⁸¹ INT_7, 7.

⁸² RAND Europe. 2023. Formative evaluation workshop - January 23.

⁸³ POID (2021e).

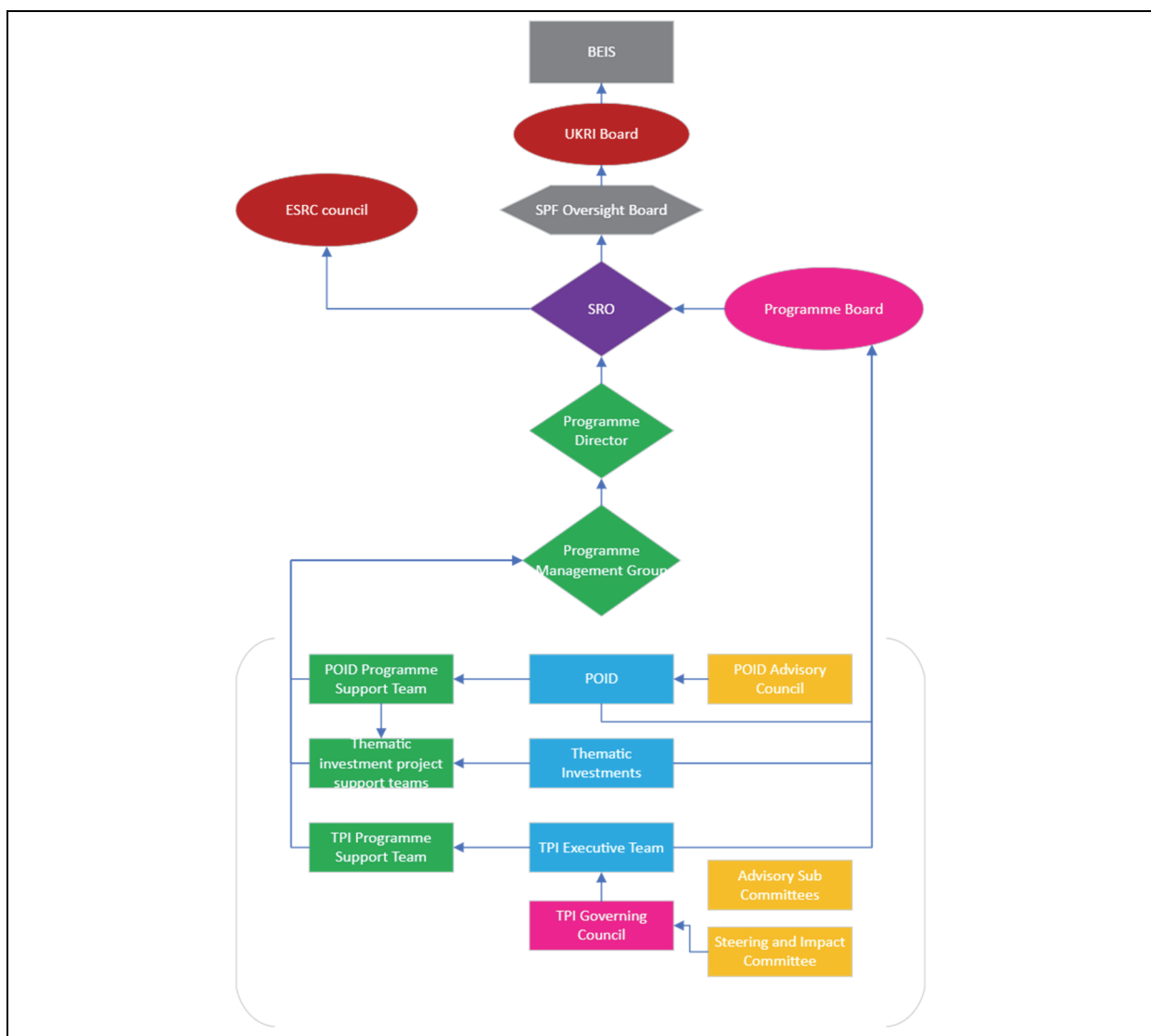
⁸⁴ POID (2022b).

⁸⁵ POID (2021a).

2.4.1. ESRC-level governance adaptations and effectiveness

ESRC adapted well to the early governance challenges in the programme as explained further below. In commissioning and delivering PIP, ESRC’s governance structures have allowed ESRC to support investments, notably TPI, to bring about changes to their respective governance structures. ESRC also established a system for monitoring progress against key deliverables across its investments. ESRC underwent restructures of its PIP governance following several reviews. The results are visualised in Figure 3 and the reviews summarised in the following sub-sections.

Figure 3: PIP revised governance structure.⁸⁶ ‘SRO’ is the ‘Senior Responsible Owner’ for the programme.



⁸⁶ TPI (2022h).

Government Internal Audit Agency (GIAA) audit

The main objective of this audit was to see how effectively governance structures and controls have been established to manage PIP.⁸⁷ This occurred in the summer of 2020.

The following points were considered:

- ‘The adequacy of the governance and decision-making structures in place to oversee and direct the programme, namely the Project Executive Board, Advisory Group and Project Delivery Team.
- The effectiveness of ESRC in managing delivery against Programme objectives.
- The quality of risk management arrangements including identification, assessment, management and escalation. This will include an assessment of fraud controls in relation to how the programme gains assurance that the Institute is safeguarding funding.
- The extent to which communications, both internally and externally, are sufficient, consistent and accurate.’⁸⁸

To conduct this assessment, the GIAA conducted interviews with partners of the ESRC and PIP, and an extensive document review.

The audit found that the ESRC has developed an effective governance structure, which has enabled a good amount of progress towards achieving PIP’s 2020/21 milestones. The PIP Advisory Group and Executive Board, prior to their disbandment, were described as having formal terms of reference outlining reporting lines and responsibilities. The minutes record that their discussions outlined expected subjects, such as risks, programme updates, actions and outcomes. The GIAA report suggests that as the PIP expands, the ESRC may need to periodically review the governance structures. Considering the revised changes to the PIP’s governance structure, the ESRC took this advice on board. The GIAA also recommended that prior to the PIP funding investments, the ESRC should work with fraud risk experts to ensure adequate control over fraud risk.

A full list of recommendations is shown in Table 3.

⁸⁷ ESRC (n.d.).

⁸⁸ ESRC (n.d.).

Table 3: GIAA action plan⁸⁹

GIAA Recommendation	Priority	ESRC agreed?	Implementation date
<i>'ESRC should consolidate the PIP SRO responsibilities in one document and align these with the Government Functional Standard.'</i>	Low	Yes	31/10/2020
<i>'Executive Board should minute the approval of the Advisory Group terms of reference.'</i>	Low	Yes	Completion at next executive board meeting
<i>'The PIP Delivery Team should update review and update the risk management strategy and obtain SRO approval. The updates should show how risks will feed into SPF Oversight Panel and include a risk appetite statement.'</i>	Low	Yes	31/12/2020
<i>'The PIP Delivery team should undertake periodic housekeeping of Easyrisk to ensure that an assigned risk manager is recorded for all risks and that a note is recorded when a review has been undertaken.'</i>	Low	Yes	30/09/2020 (then bimonthly)
<i>'The PIP Delivery Team should liaise with other UKRI colleagues such as Counter Fraud and Risk Business Partners to ensure that fraud risks and mitigating controls are identified and documented.'</i>	Medium	Yes	31/12/2020
<i>'The PIP SRO and Executive Board should consider the inclusion of regular financial reporting in the management information provided to the Executive Board.'</i>	Low	Yes	31/10/2020 (then every quarter)

Gateway 4 review⁹⁰

The governance recommendations proposed by the BEIS Gateway 4 review in late 2021 were presented to the PIP board, where it was clarified that the PIP's governance structure needed to change from one that 'delivered commissioning' to one that 'managed a portfolio of investments.'⁹¹ In response to this, the PIP board were called upon to assist in redesigning the governance structure to decide where specific stakeholders should be positioned. It was also recommended that this governance restructuring extended to ensuring the portfolio team had adequate resources.

⁸⁹ ESRC (n.d.).

⁹⁰ A Gateway 4 review is a government assurance process that assesses 'Readiness for service' of investments with a focus on 'whether the solution is robust before implementation and meets the agreed policy and strategic need; how ready the organisation is to implement the business changes that occur before and after delivery; confirming that the contract management arrangements are in place or being arranged; and whether there is a basis for evaluating ongoing performance'. See: Infrastructure and Projects Authority (2021).

⁹¹ TPI (2022h).

The proposed re-structure consisted of:

1. A Programme Board combining the Executive Board and the Advisory group functions. This enabled a more streamlined programme delivery.
2. The SRO would become the ESRC Executive Chair.
3. The Programme Director.
4. The Programme Management Group, which was recommended as having adequate resources to enable the delivery the PIP.⁹²

The revised governance structure is visualised in Figure 3.

The Programme Board was designed to provide strategic oversight in the delivery of the PIP. It would also be able to provide risk and stakeholder management considerations, and expert advice to the SRO. It was declared that representatives of TPI and POID would be present within Programme Board meetings and asked to provide update papers.⁹³ This revised governance structure resulted in the disbandment of the advisory and executive boards in lieu of the new programme board, while also enabling TPI and POID's existing governance bodies to provide more oversight, management and consistency.

ESRC's role in TPI and POID governance

ESRC was involved in supporting changes to TPI's governance structure to ensure that it was able to transition from an institution focused on commissioning to an institution managing a research portfolio.⁹⁴

ESRC has been involved in managing issues arising from the governance of the investments as they have been escalated. This includes the DI/DA issue, where final budgets could not be agreed with partners (which impacted the signing of the consortium agreement) until the process for moving flexible funding from DI to DA had been agreed.⁹⁵ This was raised multiple times by TPI, first in January 2021, again in November and December that year, and in February of 2022. It was at this point that ESRC directly engaged with the University of Manchester to resolve issues around underspend. The University then began playing a larger support role and a head of operations was recruited in June 2022 – moves supported by ESRC directly.

2.4.2. TPI

TPI now considers its governance structure to be working well after several adaptations, most notably its transition from a traditional grant to an institute model. It encountered several issues in its first few years that limited its ability to successfully deliver as planned. TPI stakeholders expressed concerns over an initial lack of oversight and project management on day-to-day monitoring by the University of Manchester during the first year due to Covid, affecting the university's responsiveness and hands on governance. Although these issues were addressed, there were also other issues highlighted around underspend, the DI/DA issue, staffing levels and misalignment in the governing functions' expectations of TPI's strategy

⁹² TPI (2022h).

⁹³ TPI (2022h).

⁹⁴ TPI (2022h, 28).

⁹⁵ TPI (2021f).

(i.e., how to enable impact on productivity).^{96,97} Several of these issues stemmed from TPI being established as a traditional grant rather than a legal entity. Establishing it as the latter would have made governance simpler and provided TPI with more decision-making power.⁹⁸

The issues with TPI's governance structure have necessitated intervention by ESRC, including an overhaul of the investment's governance structure, to allow for greater ESRC oversight.⁹⁹ A governing council was established, followed by an oversight board with a programme of meetings to ensure spending and research delivery were robustly managed and rolled-out respectively.¹⁰⁰ This also helped ensure the University could better support TPI, separate out management/finance from strategic discussions, and strengthen the relationship with ESRC.¹⁰¹

The resulting governance structure of TPI is shown in Figure 4.

⁹⁶ TPI (2022f, 2: 860 - 2: 1206).

⁹⁷ INT-7, INT-8.

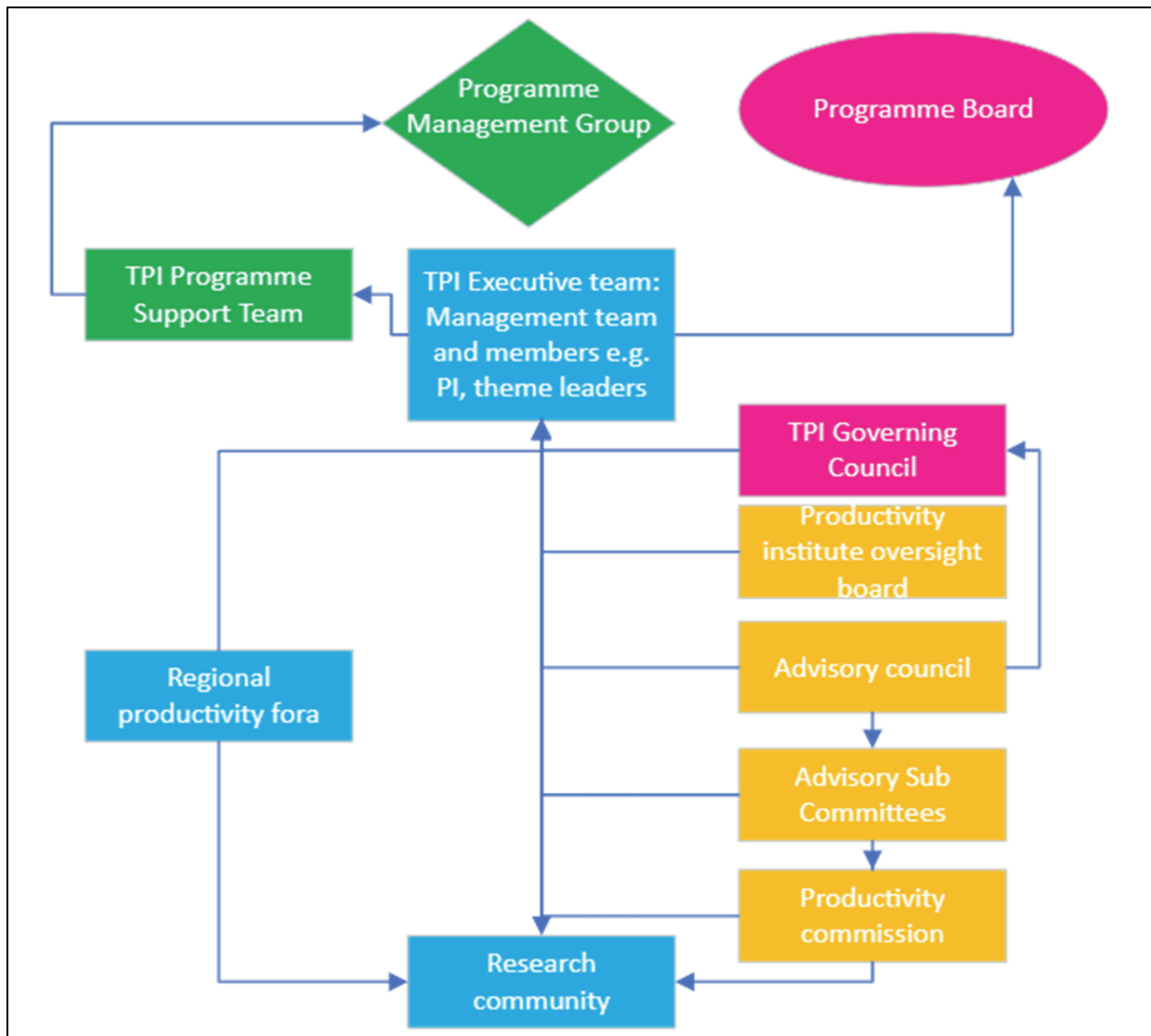
⁹⁸ INT-5.

⁹⁹ TPI (2022g, 1: 1762 - 1: 1918).

¹⁰⁰ TPI (2021e).

¹⁰¹ INT-2, INT-15.

Figure 4: TPI governance structure¹⁰²



2.4.3. POID

POID governance structures have allowed the programme to keep track of its activities and ensure that it is on course to meeting its objectives. POID’s Advisory Committee has played an important role in ensuring that POID’s research agenda remains relevant and avoids underspend.¹⁰³

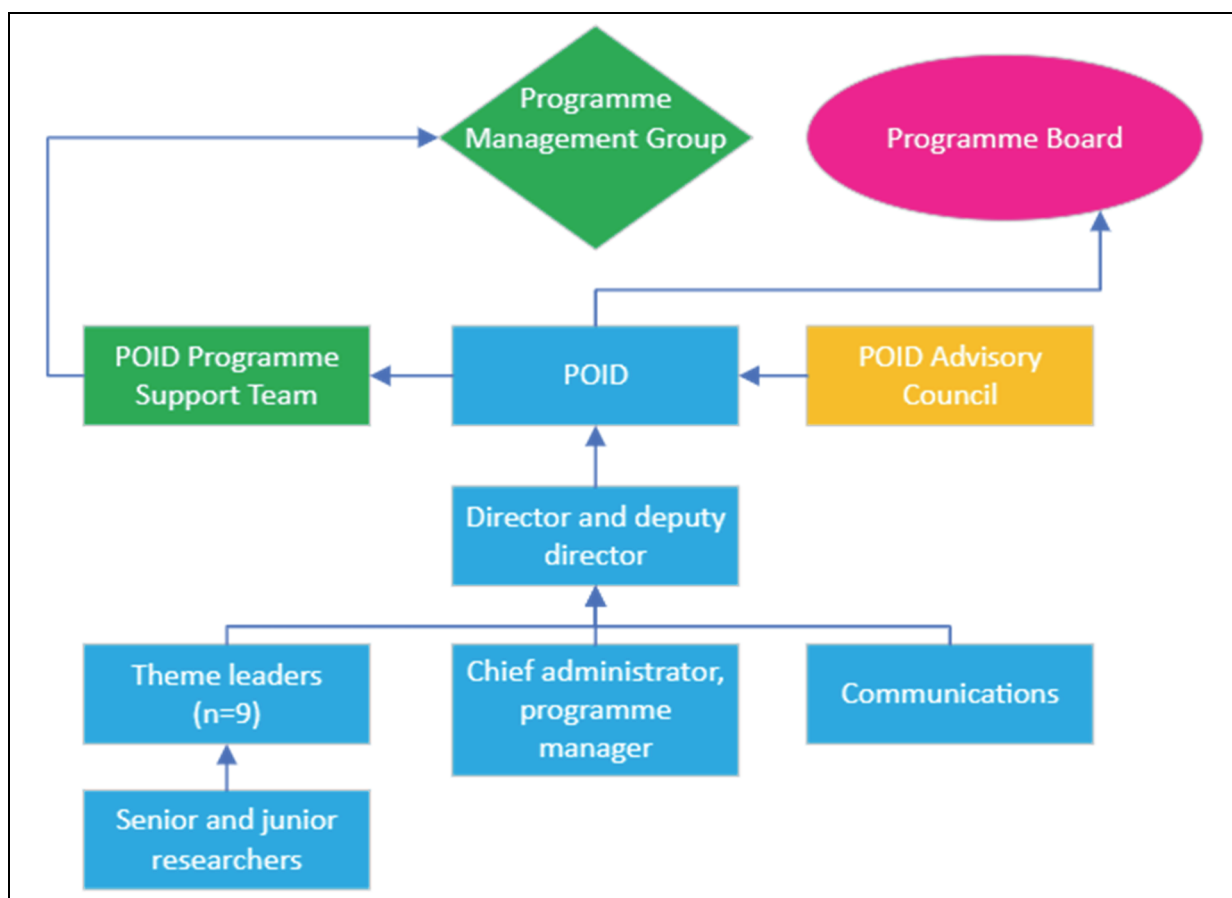
ESRC has also been providing oversight of POID through its governance structures by making sure that it is on track to meet key milestones. It has also taken steps to amend POID’s governance structure to ensure an overall alignment with PIP objectives and to include ESRC representation.¹⁰⁴

¹⁰² TPI (2020a, 16-17).

¹⁰³ POID (2021h); POID (2021i).

¹⁰⁴ 202102 – February 2021 Monthly Report.

Figure 5: POID governance structure¹⁰⁵



2.5. Monitoring, evaluation and learning (MEL)

This sub-section aims to address PEQ6: *How has the programme used monitoring, evaluation and learning to drive continuous improvements in planning and delivery?*

Monitoring, evaluating and learning (MEL) processes in the PIP were most prominent at the ESRC level, through which MEL was conducted via formal reviews and processes. When disaggregating to POID and TPI, it becomes clear that the processes for MEL are not as formalised. This was reflected in stakeholder interviews and through reviewed literature/documentation.

2.5.1. ESRC

Gateway 4 review

The Gateway 4 review provided the PIP with a clear and actionable MEL mechanism to make necessary adjustments and changes to its foundations. According to members of the ESRC, the review was highly valuable as it prompted significant and beneficial changes to the governance structure of the PIP, allowing it to be run as a fully-fledged programme.¹⁰⁶ Further details about these changes are discussed in section 2.4.1.

¹⁰⁵ TPI (2022i).

¹⁰⁶ INT_5, 5.

GIAA audit

On top of the Gateway 4 Review, a GIAA audit of the PIP was conducted to confirm how effectively the programme had been established and utilised lessons learned. The process and results of this audit also focused on governance and are discussed in the previous sub-section. The ESRC accepted all recommendations put forward by the GIAA audit and actioned the recommendations across the PIP.¹⁰⁷

While both the GIAA audit and the Gateway 4 review are mandated processes, they are both being continually used to implement learning and development across the PIP as a whole.

RAND evaluation

It is also important to highlight that this RAND evaluation, in and of itself is an example of MEL. The RAND evaluation has been referenced regularly in ESRC monthly reports, with a considerable amount of time and attention given to regular updates on progress, and prudence to peer reviewing completed work so far. The ESRC secured five productivity experts to peer review the RAND Baseline report in April 2022.¹⁰⁸

UKRI requirements for programme monitoring

The source of PIP funding comes from SPF. Therefore, the ESRC adopted UKRI requirements for programme monitoring. The ESRC did provide monthly reports to UKRI management offices, but generally interviewees highlighted that UKRI requirements for monitoring and reporting were too light to be useful and required more detail to be used as an effective MEL mechanism to provide value in terms of feedback and possible lessons learned.

2.5.2. POID

Reporting

POID engaged in monthly reporting to the ESRC, which included the following:

- Progress updates – noting any concerns or delays.
- Publications/events in the past month or upcoming.
- Milestones – whether these have been hit or if there are any missed.
- Governance and meeting updates.
- Spend updates – is spend on track? ¹⁰⁹

¹⁰⁷ ESRC (n.d.).

¹⁰⁸ ESRC (2022b).

¹⁰⁹ POID (2022a).

The monthly reports were seen as excessive, according to some POID interviewees, and eventually these reports were changed to quarterly in order to reduce burden.¹¹⁰

POID also conducted yearly, annual reports that detailed highlights in terms of events and engagement, research, policy and future highlights. These reports also included details relating to on-going research projects, POID staff updates and yearly outputs in terms of publications, working papers, blog posts, press mentions, research seminars and research work.¹¹¹

The POID reports show a commitment to regular programme monitoring, which is then fed into the PIP's overarching monitoring processes.

Progress discussions

Aside from just monthly, quarterly and annual reports, POID also conducts regular progress discussions with research teams. Within POID, research work is split into six main themes, containing project teams. Every two weeks these teams met with John Van Reenen to discuss progress and budget analysis.¹¹²

¹¹⁰ INT_9, 9.

¹¹¹ POID (2021e).

¹¹² INT_9, 9.

2.5.3. TPI

Reporting

As required by ESRC, TPI employ the annual use of Researchfish to consolidate information on the outcomes and impacts of their research, and, like POID, TPI wrote monthly reports with the same range of items to report to the ESRC. These reports also changed from monthly to quarterly to reduce burden. The report content ranges from publications, outputs and impacts to milestones and risks.¹¹³ While reporting topics are similar between TPI and POID, it is important to note that TPI reports are far more detailed and nuanced regarding their activity. For example, POID provide shorter progress updates: *'POID Administrator now in place (hired 24 June 2021)'*,¹¹⁴ while TPI provide far more detail relating to key milestones (with progress to date), challenges and barriers and future actions and escalations. On top of this, TPI also provide a RAG rating and scoring system relating to potential risk.¹¹⁵

TPI also carry out annual reports covering:

- Updates given by the Managing Director.
- An overview of their Purpose, Objectives, Outcomes and Desired Impacts.
- TPI's Research and Developmental Highlights from 2020/21.
- Productivity and the Covid-19 Pandemic.
- An overview of TPI's eight Key Research Themes.
- Updates on Business and Policy Engagement activity.
- Activity taken to support Community Building.
- Structure and Governance updates, and changes that have occurred throughout the year.
- Project Team Updates.¹¹⁶

The annual reports carried out by TPI provide a comprehensive overview of their activities, impacts and progress. The information provided in the reports supports management by providing a clear understanding of TPI's goals and how they are being achieved. It supports governance by providing transparency and accountability to the ESRC and supports learning by providing valuable insights to inform future decision making, helping TPI to continuously improve their processes and foundations. The report also covers key research themes, and project team updates, which provide valuable information on progress, helping TPI to achieve its research objectives.

Regional Productivity Forums (RPFs) are a key part of TPI's programme. Outside of TPI's reporting, in order to maintain a clear idea of progress with RPFs, and to action next steps in terms of engagement and research, TPI conducts regular one to one liaising with RPF leads. This has been described as helpful in

¹¹³ INT_2, 2.

¹¹⁴ POID (2021a).

¹¹⁵ TPI (2020c).

¹¹⁶ TPI (2020a).

informing monitoring and learning for future action. For these monitoring and reporting meetings, RPFs create their own agendas, which are checked by the director prior to each meeting where a central team member is present from TPI.

In general, several practices are in place to support MEL across the PIP. While there are formal processes in place, it is not clear that they are fully aligned to support programme management, governance and learning, while also minimising burdens on grant holders.

2.6. Environmental, social and governance considerations

This sub-section aims to address PEQ8: To what extent has the programme demonstrated a commitment to: Equality, diversity and inclusion, Environmental Sustainability, Good people management practices across its approach to achieving business, policy, academic impact?

We have identified relatively limited evidence regarding the extent to which these aspects have been addressed within the programme. In all cases we consider both the extent to which these considerations have been factored into the research conducted by the PIP and the way in which the PIP and its investments operate.

2.6.1. Equality, diversity and inclusion

There is very limited evidence regarding the level of EDI in the operation of PIP and its investments, and how these considerations have been factored into decision making and processes. There are no EDI data for either PIP as a whole or for the individual investments, so we are not able to assess the extent to which different groups (e.g., by gender, ethnicity or other characteristics) form part of PIP or the applicant pool. Beyond this, the investments broadly address EDI issues in their operation in line with their relevant institutional level policies. In addition, both investments were able to point to some specific examples of efforts made to incorporate EDI into their processes. TPI finances vulnerable groups entering academia through its fellowship scheme,¹¹⁷ made efforts to add women to its business panel¹¹⁸ and incorporated EDI in its recruitment procedures.¹¹⁹ POID interviewees also pointed to hiring staff with ‘diversity in mind’, although this seems to primarily focus on considerations around ethnicity and gender.¹²⁰ In discussions, both investments were aware of and concerned about lack of diversity in some of the key fields associated with this investment (specifically the field of economics).

In terms of the research conducted, there are topics of focus in the programme of work - within both investments - that cover EDI issues in relation to productivity, and this is relatively innovative compared with the wider field of productivity research.¹²¹ A good portion of proposals submitted for the Productivity

¹¹⁷ INT-2.

¹¹⁸ INT-10.

¹¹⁹ INT-2.

¹²⁰ INT-9.

¹²¹ ESRC (2020).

Thematic Call focused on diversity¹²² and there is evidence that research incorporating gender as an element has begun to take place.¹²³ This appears to have occurred organically, since EDI was not a factor considered in the commissioning process, other than an expressed desire to involve women in the advisory group.¹²⁴ Examples of outputs related to EDI and productivity include POID's series on the 'Lost Einsteins', an unrealised group of inventors inhibited by their class, gender or race. These studies have delivered ground-breaking data on the benefits of equality of opportunity for innovation.¹²⁵ In addition, TPI have published a piece on inclusivity in the digital economy for Manchester Magazine's profile on the Institute, and there are additional planned outputs on this topic forthcoming.

2.6.2. Environmental sustainability

We did not identify any specific evidence regarding the way in which environmental sustainability is considered in the operation of PIP. This may reflect the fact that there are limited specific considerations regarding environmental sustainability for this type of research beyond the usual considerations around travel (for conferences, collaborations, etc.) that are common to all research. However, both of the investments have conducted research on the topic in relation to productivity. TPI designated environmental sustainability as a key research area for the 2022–2024 funding call¹²⁶ and a few projects related to the topic have been awarded within the Institute as a result.¹²⁷ TPI also held a panel on Productivity and the Green Economy, which included members of the Regional Productivity Forums.¹²⁸ POID has also conducted research in this area, leading to policymaker engagement, including a report on carbon capture usage and storage to map the comparative advantages of the UK in areas of green innovation in collaboration with the Grantham Institute¹²⁹ and a study on the importance of values and preferences in shaping green innovation in the automobile industry.¹³⁰ POID researcher Anna Valero has summarised the academic contributions of POID to the green agenda and engaged with policymakers on the topic, participating in a private roundtable with the Minister for Skills in July 2021 and in events/meetings with the Green Jobs

¹²² TPI (2022h, 23).

¹²³ POID (2021e, 9).

¹²⁴ INT-3.

¹²⁵ POID (2021e, 8); Leonhardt (2017).

¹²⁶ Key topic areas for TPI 2022-2024: Climate transition and the development of new technologies: Is the UK well-placed to develop and exploit new technologies, including those associated with the transition to net zero? What will be the effect of net zero on productivity? TPI 2021c

¹²⁷ Frank Geels has been awarded a project looking into 'Driving low-carbon transitions and productivity growth'. This project was due to finish in August 2023 (TPI 2022c, 2: 6715). Jonatan Pinkse has been awarded a theme project 'Addressing the net-zero and productivity challenges: How could the housing sector play a key role?'. (TPI 2022c, 2); Josh Martin at the Office for National Statistics was awarded a project 'Environmentally-adjusted productivity estimates in the UK'. (TPI 2022c, 3: 439).

¹²⁸ TPI (2021k).

¹²⁹ TPI (2021e); POID (2021e, 8: 3).

¹³⁰ POID (2021e, 6: 3).

Taskforce.¹³¹ POID has plans to carry out further analyses related to NetZero and green jobs in the UK as part of the Economy 2030 Inquiry.¹³²

2.6.3. Good people management

We have relatively limited evidence regarding the extent to which PIP has implemented good people management strategies into either its operation or its research. At the programme level, PIP prioritised tackling risks by delivering a risk register¹³³ and allowing staff members to complete training in fraud and risk management.¹³⁴ The programme also repeatedly faced staffing shortages.¹³⁵ Though meeting minutes indicate some new hires,¹³⁶ PIP staff members could have faced strained workloads as a result of the recurring demand for capacity. As for the individual investments, TPI tasked its Engagement and Operations Director to monitor workloads and allow a ‘flexible’ approach to required office time,¹³⁷ a duty also applied to the position itself; the Director post was split in two to handle its heavy workload.¹³⁸ POID highlighted the systems they have in place in terms of career development reviews and regular appraisals as a formal means of people development, alongside wider informal mechanisms to ensure researchers feel part of a community rather than like individual scholars.¹³⁹

¹³¹ POID (2021e, 6: 3).

¹³² POID (2021e, 6: 3); POID (2022b, 4).

¹³³ ESRC (2019).

¹³⁴ UKRI (2020).

¹³⁵ ESRC (2019, 11: 729; 14: 1441; 14: 1706; 17: 1889; 25: 2372; 30: 32).

¹³⁶ ESRC (2019, 11: 729; 14: 1441; 14: 1706; 17: 1889; 25: 2372; 30: 32)

¹³⁷ TPI (2022c, 5: 801).

¹³⁸ TPI (2022g, 1: 2009).

¹³⁹ RAND Europe. 2023. Formative evaluation workshop - January 23.

3. Conclusions

This section presents the conclusions of the formative evaluation specific to the thematic areas explored as part of this formative evaluation, then against the evaluation questions.

Complementarity of the investments

- There was no pre-programmed complementarity between the investments built-in by ESRC. The two investments were funded separately as autonomous grants with their own research agendas.
- The investments have no formal shared activities beyond the ad-hoc sharing of networks and speaking engagements at one another's conferences.
- The impact of a lack of pre-programmed complementarity on outputs and outcomes is yet to be determined; however, stakeholders highlighted a range of views about the extent to which complementarity is an issue, and whether actions are needed to address it.

Stakeholder engagement

- The investments have put in place mechanisms to engage with stakeholder groups, particularly policymakers and businesses, and there is evidence of this both informing policy development, and of policy and business stakeholders feeding into the work of the programme.
- Engagement mechanisms are tailored to the aims and needs of both the stakeholder groups and the aims of the investments, and comprise a mix of formal and informal approaches.
- Some of these mechanisms – for example, the RPFs – are still developing, and in part the time taken to establish these structures effectively reflects the efforts made to bring on board new and novel participants beyond the 'usual suspects'.
- Academic engagement is traditional (e.g., conferences, papers).
- Evidence of engagement with worker representatives is lower as this has not been such a key focus of the investments.

Flexibility and adaptability

- Most of the adaptations and responses to changing landscapes were reactive, rather than proactive, and are largely similar to what we see elsewhere in the research system.

- TPI has adapted to the impacts of Covid-19 by adjusting their deliverable timelines via their own internal management processes, for example to fast-track projects lagging behind due to Covid-19 and to create action plans to rectify their Covid-19 related underspend.
- As a result of TPI and POID's flexibility in the scope of their research themes both made changes and adaptations to their research themes to accommodate the effects the Covid-19 pandemic was having on the economy and productivity in the UK.
- To adapt to a changing political landscape, POID utilised their flexible research scope to 'naturally' react and adapt research themes, for example to include Brexit considerations to UK productivity.
- TPI also adapted their research themes to a changing political landscape, though this was already built-in to their research capability, for example via the RPFs, which are highly concerned with the UK's Levelling up agenda.

Governance of the programme

- ESRC adapted well to the early governance challenges in the programme, which in turn benefited the investments as they came up against their own challenges, such as TPI moving from a grant to an institute. ESRC's governance structure for PIP was considered effective in achieving PIP's goals.
- The Gateway 4 Review and GIAA Audit both recommended changes to ESRC's PIP governance structure, including a restructure of the programme board to enable a more streamlined programme delivery. The ESRC accepted all recommendations made by the review and audit.
- TPI's governance structure changed several times and is now considered to be working well. The previous issues were a lack of oversight and project management support from the host institution. ESRC assisted in the overhaul of the governance structure (e.g., setting up a governing council). There is a slight concern that there may be 'too much' in the governance structure, though this has not yet caused any notable issues.
- POID's governance structure has remained largely the same since inception and has so far been effective, enabling POID to meet its own milestones and manage its administrative requirements. ESRC assisted POID in amending its governance structure to align more so with PIP objectives.

Monitoring, evaluation and learning (MEL)

- The ESRC conducts and oversees the monitoring activity of PIP. This mainly involves collecting progress reports from the investments to feed into Strategic Priorities Fund (SPF) monitoring.
- Both TPI and POID conduct quarterly progress reporting to ESRC. This was previously monthly, which was found to be overly burdensome. TPI's reports typically included a higher level of reporting and more MEL activity due to the size of the investment compared with POID and their work liaising with the RPFs. TPI also conduct an annual Researchfish assessment to analyse the impact of their research.
- Both TPI and POID provide annual reports detailing annual progress.
- MEL processes and requirements are not subject to formal reviews.

Environment, social and governance considerations

- Research is conducted by both investments on EDI and we see some publications resulting.
- However, evidence on EDI within the operation of the investments is more limited, and largely aligns with institutional level policies.
- There are no programme or investment level data available on diversity characteristics of applicants, award holders or other stakeholders. Similarly, there is little evidence on environmental sustainability and good people management.
- Environmental sustainability is a topic covered within the research of both investments, particularly POID.
- There is no evidence on the implementation of environmental sustainability within the operation of the investment, which may reflect limited specific concerns for this type of research.
- Both investments note measures intended to support staff and ensure good people management, but their effects are unclear due to limited evidence.

The table below presents formative evaluation results against the process evaluation questions.

Table 4: Process evaluation questions, indicators and formative assessment

Impact evaluation question	Indicators	Formative assessment
<p><i>PEQ1. To what extent, and how effectively, are the investments coordinated and together amount to a coherent programme?</i></p>	<ul style="list-style-type: none"> • Perceptions of internal and external stakeholders on complementarity of investments • Examples of events and interactions and events featuring stakeholders from across PIP • Examples of POID, TPI and thematic investments working together coherently. 	<p>The PIP investments are coherent in that their research agendas cross over at the outcome level, e.g., ‘new knowledge on productivity’. Otherwise, there is no other evidence of the investments formally working together. It remains to be seen to what extent this will affect coherence of results.</p>
<p><i>PEQ2. How has the design, commissioning and delivery of the PIP identified, addressed and engaged with the needs of policymakers, businesses, researchers and wider academic stakeholders, and workers and worker representatives, and what has this meant for ongoing programme design and delivery?</i></p>	<ul style="list-style-type: none"> • Perceptions of key stakeholders across groups (academia, industry, policy, worker representatives) on their wider engagement in the programme, responsiveness of the programme and consequences/implications of engagement • Examples of stakeholder needs converted to programme activities • Representation of business and trade unions on boards and governing councils • Engagement activities listed in programme reporting and Researchfish submissions. 	<p>One point to consider is whether the mechanisms in place for engaging with stakeholder groups, particularly policymakers and businesses, could be strengthened to improve coordination. While there is evidence of good engagement and feedback into individual research agendas, progress towards a shared understanding of stakeholder needs and a productivity research agenda has been more limited. Developing mechanisms to achieve these goals could be a way to improve coordination. It is worth noting that some of the mechanisms, such as the RPFs, are still developing, and the time taken to establish these structures effectively reflects the efforts made to bring on board new and novel</p>

Impact evaluation question	Indicators	Formative assessment
		participants beyond the 'usual suspects'.
<i>PEQ4. How well has the programme adjusted and adapted appropriately to a changing landscape (e.g., Covid-19, net-zero transition)?</i>	<ul style="list-style-type: none"> • Stakeholders' perception of and satisfaction with the adaptability of programme • Evidence of changes in approach over time and in response to critical events, and the rationale for these changes. 	The investments have adapted well to external shocks such as Covid-19, rapidly changing their management processes, governance, project timelines and reallocating underspend. The investments also pivoted their research efforts to Covid-19 related productivity issues as well as Brexit.
<i>PEQ5. How have ESRC, TPI, POID and thematic investment management and governance systems supported and enabled the timely delivery of research, engagement and training activities?</i>	<ul style="list-style-type: none"> • Stakeholder satisfaction and views on effectiveness • Recommendations of meeting minutes • Correlation between recommendations of Advisory Committee, Steering Group and competition specifications • Industry, academic and policy lead stakeholder feedback • Perceptions of board members • Examples of the role of governance structures in supporting (or impeding) effective delivery against PIP aims. 	ESRC and the investments have demonstrated significant reflexivity in refining their governance structures over time, in response to official reviews and to feedback from one another. Those issues are now overcome, and the governance structures are deemed effective in supporting the timely delivery of the investments' respective goals and those of PIP.
<i>PEQ6. How has the programme used monitoring, evaluation and learning to drive continuous improvements in planning and delivery?</i>	<ul style="list-style-type: none"> • Stakeholder perceptions on extent and nature of learning and improvement • Escalating/de-escalating RAG status • Perceptions and documentary evidence on the way in which evidence is used and informs decision making. 	ESRC made improvements to their governance and delivery processes on PIP in response to the Gateway 4 review and GIAA. ESRC oversee M&E for PIP. TPI and POID submit quarterly reports to ESRC (reduced from monthly due to burden). It is not clear to what extent M&E then feeds back into learning and improvement at the investment level.
<i>PEQ8. To what extent has the PIP demonstrated a commitment to equality, diversity and inclusion, environmental sustainability, and good people management practices, across its approach to achieving business, policy and academic impact?</i>	<ul style="list-style-type: none"> • Diversity (demographic, sector and regional background) of key decision making groups, including review panels, oversight groups and peer reviewers • Proportion of engaged stakeholders with different demographic characteristics (e.g., gender, ethnicity) • Perception of key stakeholders on the extent to which the programme is open to stakeholders (researchers and otherwise) from diverse backgrounds • Perceptions of environmental partners and groups; perceptions of work on POID's green growth and directed technical change programme and TPI's social, environmental and technological transitions • Perceptions of programme staff on people management; mechanisms in place to support and engage staff; perceptions of trade unions. 	We see a strong commitment, particularly to EDI and environmental sustainability reflected in the content of the research conducted by the PIP. Both investments have relevant research streams on these themes with significant outputs starting to emerge and some evidence of policy engagement associated with these. However, the evidence on how these issues are addressed within the operation of the PIP are limited and seem to largely correspond to 'business as usual' in line within institutional policies and practice. Data on EDI to quantitatively assess performance in this area are not available.

4. Recommendations

This section sets out our key recommendations at this formative stage. These comprise actions that could be taken within the existing programme to improve ongoing delivery, as well as considerations for future investments of this scale. We note that these are early observations based on data collection to date focusing specifically on process aspects and on perspectives internal to the programme. A wider picture of both processes and early outputs and outcomes will be captured in the next phase of the evaluation and will allow us to make broader recommendations.

- 1. ESRC should arrange regular meetings between the investments and work with them to ensure better knowledge sharing and adequate coordination.** At present, interaction between the investments is uncoordinated and ad hoc. Although there is no need to ‘force’ collaboration, this lack of regular communication risks duplication and overlap, or key opportunities and gaps in the research landscape being overlooked. Feedback from the investments has been that they have benefited from occasions where they have met to share their work. ESRC should arrange regular (e.g., quarterly) meetings between TPI and POID (and, as appropriate, the thematic investments) for knowledge sharing and planning purposes. By having these regular touchpoints where key individuals from each of the investments can share their ongoing work and priorities, any natural opportunities for collaboration, sharing of networks and contacts, or other coordination are able to surface. ESRC can act in a coordinating role, and these meetings could also be an opportunity to raise any common operational issues or challenges. These meetings could potentially be aligned with quarterly reporting and those reports shared across participants as briefing materials for the session.
- 2. PIP investments need to build on the developing relationships with key stakeholders to deliver meaningful engagement.** It is clear that significant efforts have been made by both investments to put structures in place and build relationships to deliver meaningful bidirectional engagement with key stakeholder groups, including new individuals not previously engaged in productivity research. We see examples of this starting to bear fruit in terms of informing research agendas, but the investments should continue to develop these relationships to ensure engagement is sustained and research is consistently aligned to the needs of research users. The next stage will be to ensure the work of the investments delivers meaningful outputs and outcomes for those groups that can be implemented, and this will be investigated further in the next phase of the evaluation.
- 3. TPI and POID need to significantly improve coordination in their stakeholder management.** At present there is no active coordination in stakeholder engagement activities between the two investments. For example, although there is a distinction between the two investments in terms of

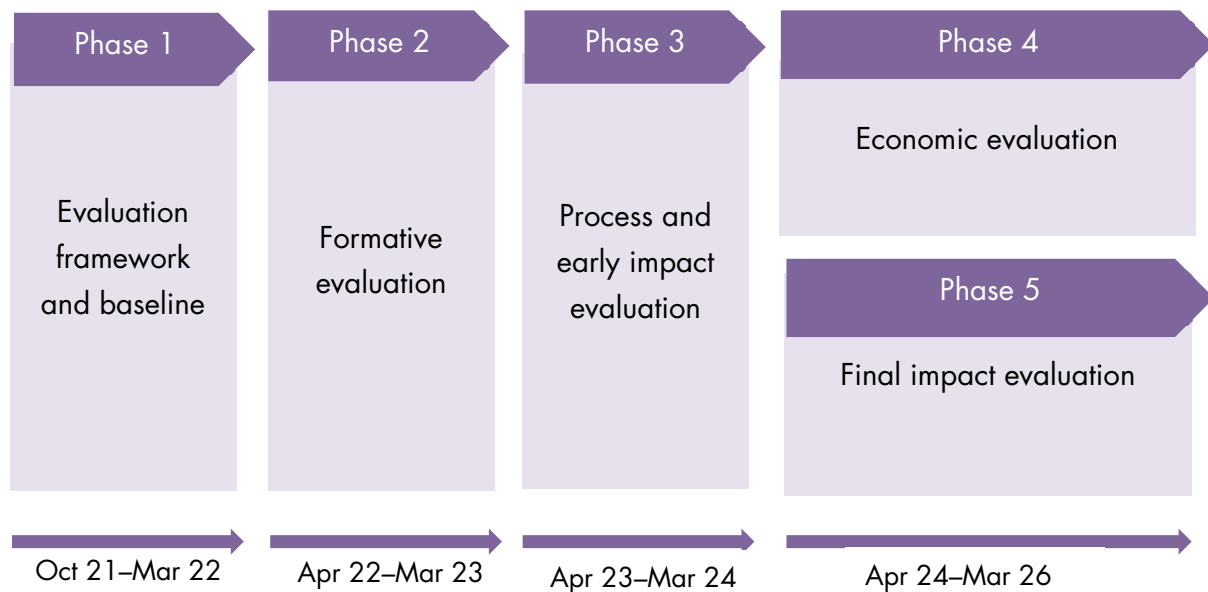
the level of focus on national rather than regional or devolved policymakers, both ultimately will be looking to inform UK productivity policy so some overlap in contacts (particularly in central government) may be inevitable. It will be important to ensure consistency and coordination between the investments when engaging those shared key stakeholders and provide clear messaging so it is easy to understand what the two investments offer and where advice can be sought depending on the issue. This may become increasingly important as the investments progress and ways to improve coordination should be considered. This could be one area of focus in quarterly coordination meetings as proposed above.

4. **Both ESRC and the investments should make better use of MEL processes to drive improvement while also ensuring they do not become burdensome.** ESRC have already demonstrated that they are open to adapting monitoring systems in response to feedback with the change from monthly to quarterly reporting. Further feedback that emerges should be acted upon, within the limitations placed by the need to fulfil reporting requirements as a SPF funded programme. However, we also note that there is the possibility for the investments to make better use of the quarterly monitoring data process to share emerging challenges or support learning, beyond its accountability purpose. At present there is limited evidence that these regular reporting processes contribute to learning and improvement at the investment level.
5. **ESRC should establish formal review procedures to evaluate MEL processes.** The investments demonstrate a commitment to engaging with MEL processes, even in strenuous circumstances. By reviewing MEL requirements, especially their application in management, governance and learning, ESRC and the investments can benefit from improved two-way MEL and streamlined processes.
6. **ESRC should put in place mechanisms to capture information on, and more directly encourage efforts towards, EDI in investments.** For future investments of this type and scale, it would be beneficial if ESRC put in place mechanisms to capture EDI information from the application stage onwards. In the first instance, it would be useful to have data on the researchers and other core stakeholders involved in the investment (i.e., data on the core protected characteristics of interest: gender, race and disability). However, ideally this would also capture information on the diversity of the beneficiaries of the research. In addition, ESRC should ask applicants for grants/centres of this size to include EDI statements/action plans to show how, for example, gender equality will be mainstreamed in their operational and research activities.
7. **Both ESRC and the investments should begin planning for the future of the programme beyond the current investments.** There have been concerns raised over what happens when PIP funding comes to an end. ESRC are already considering ways forward, and the investments should also consider ways forward now – with and without ESRC funding – to ensure a smooth transition process. This could even be included in future programme applications, setting out how the investment plans to attract funds to become sustainable. This is standard practice in what works centres, for example, and might be usefully adopted more widely by ESRC.

5. Next steps for the evaluation

This report marks the end of Phase 2 of the evaluation (Figure 6).

Figure 6: Evaluation structure



The next stage of the evaluation is Phase 3: the process and early impact evaluation. The aim of Phase 3 is to provide an early assessment of how the PIP is performing and whether it is on track to deliver anticipated impacts or not. We will explore the effectiveness of the programme, of ESRC’s management and governance of the PIP, and how processes at the programme and investment level link to achieving programme aims. At this point we will move beyond the assessment of programme operation conducted in Phase 2 to produce a more detailed analysis of how those processes are translating into intended outputs and outcomes. As such, we move beyond the inputs and activities in the Theory of Change to exploring the outputs and early outcomes and the extent to which the assumptions necessary for these to occur hold true. In terms of the evaluation framework, this next phase of the evaluation will focus on the remaining PEQs and making an initial assessment of progress regarding a subset of the impact EQs:

- PEQ3. How effectively has the PIP mobilised existing multi- and interdisciplinary knowledge and the wider UK and international research community?

- PEQ7. How effectively has the programme built skills and capacity across different stakeholder groups?
- RIEQ1. To what extent has the programme delivered a step change in the quality, international recognition and multidisciplinary of UK productivity research?
- RIEQ2. Has the PIP advanced the evidence base relating to UK and regional productivity, particularly in relation to finding practical solutions to the UK's productivity challenge?
- RIEQ4. To what extent has the PIP linked up effectively with wider research and innovation priorities and opportunities?
- RIEQ5. What has been the impact of the PIP on academic capacities and capabilities for productivity research? How enduring are these improvements?
- PIEQ1. To what extent has the programme delivered high-quality, relevant and actionable policy recommendations around productivity?
- PIEQ2. Has the PIP had an impact on how productivity is understood and integrated into practice by policymakers?
- PIEQ3. To what extent and how has the PIP had an enduring impact on the capacity and capability of policymakers to engage with productivity research? And conversely, how has the PIP impacted researchers' capacity to produce policy-relevant research?
- BIEQ1. How has the PIP created new structures and opportunities for productivity researchers to engage with businesses and other industry stakeholders, and how enduring are these?
- BIEQ2. Has the PIP identified new interventions that business leaders or industry bodies could take to improve productivity?
- BIEQ3. Has the PIP had an impact on how productivity is understood by business leaders?

We summarise the methods we intend to use for Phase 3 in the figure below.

Figure 7: Phase 3 methods

Analysis of output and outcome data	<ul style="list-style-type: none"> • Researchfish analysis • Analysis of quarterly/monthly reporting
Scientometric analysis	<ul style="list-style-type: none"> • Publication performance and patterns of collaboration • Comparison to baseline performance
Key informant interviews	<ul style="list-style-type: none"> • Up to 20 interviews • Thematic investments and stakeholders across three evaluation themes
Analysing the outcomes and early impacts	<ul style="list-style-type: none"> • Mapping to ToC and EQ • ToC update
Workshop	<ul style="list-style-type: none"> • ESRC and investment leads • Test and validate emerging findings and share learning

As well as exploring the questions set out above, the next phase of the evaluation will also provide the opportunity to tease out and explore from different perspectives some of the issues that surfaced in this phase of the evaluation. For example, we can look at the impact that a lack of programmed complementarity has had on the bibliometric outputs of the programme, if any, and explore experiences of stakeholder engagement from a wider range of perspectives. We also note that we will start to engage with the thematic investments in the next phase of the evaluation and will update the programme Theory of Change based on their work and our observations on the operation of the programme from the work conducted in Phases 1–3. This should move forward our understanding of the mechanisms of operation of the programme, its strengths and weaknesses, and provide further learning to inform ESRC and the investments going forward. It will also lay the groundwork for the full impact evaluation to be conducted in Phase 4 of the evaluation from April 2024 onwards.

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Annex A. Theory of Change (ToC)

