

**UK Energy Lab:
Feasibility Study Final Report
August 2014**

Annex E – Governance

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1. Overview

This annex gives an overview of a range of mainly longitudinal studies that are currently carried out and their governance arrangements. The aim of this section is to try and infer from the structural arrangements in place for each of these studies, what is it that helps the study to endure? This is particularly pertinent for the UK Energy Lab as for it to provide maximum benefit it needs to continue for many years (at least 5), and to do that it needs effective governance arrangements. This annex is necessarily brief being one element of the wider feasibility study and should be seen as a starting point for further development and exploration of governance arrangements. We recommend further analysis of governance arrangements based on one or two studies explored here to ensure the final approach makes the best use of available UK experience in this domain.

The key elements that the governance needs to achieve are:

- Ensure funders' interests are effectively represented so they feel ownership over the study, and therefore have an interest in continued investment.
- Ensure the outputs of the study meet not just the funders needs in terms of relevant data provision but is able to add value to the wider sector's research activities
- Help the survey to navigate future uncertain funding scenarios, so the structure needs to enable the survey to be relatively flexible and adaptable to changing conditions
- Ensure the quality and (relative) independence of the survey so that its foundations of influence – high quality, relevant data – are protected from (or are able to effectively balance the need to address) short-term interests that might undermine the wider benefits the survey provides.

These four elements will inform the final proposed governance and related funding model set out in the main report. We turn first to the review of other surveys.

2. Learning from other surveys

We used the baseline funding model, as well as starting assumptions about the nature and scale of the proposed UK Energy Lab as a starting point for identifying other long-term, nationally representative surveys to learn about governance approaches. We interviewed a total of 11 individuals (and 1 team) across these surveys representing different viewpoints from governance board chairs, principle investigators through to government funding representatives. Table 1 gives a list of the surveys covered and their rationale for inclusion.

| Survey | Rationale |
|---------------------------------------|--|
| Understanding society | Large, complex, longitudinal panel with mixed RCUK and government funding |
| Life Opportunities Study | Complex longitudinal panel with a single government funder focused on a specific topic |
| Wealth and Assets Survey | Complex longitudinal survey on a single topic funded by 2 government departments |
| Labour Force Survey | Large, mixed design, long standing study with a single government funder |
| British Birth Cohorts Surveys | These are very long term studies which at times have significant government funding complementing research council funding |
| English Longitudinal Study of Aging | Mixed multi government funded panel with limited (UK) research council funding |
| Residential Energy Consumption Survey | The only long term repeat wave survey of energy use still going in the world |

Table 1: Setting out the different surveys together with the rationale for inclusion, where the survey lead and other actors were interviewed to gain insight into effective governance arrangements.

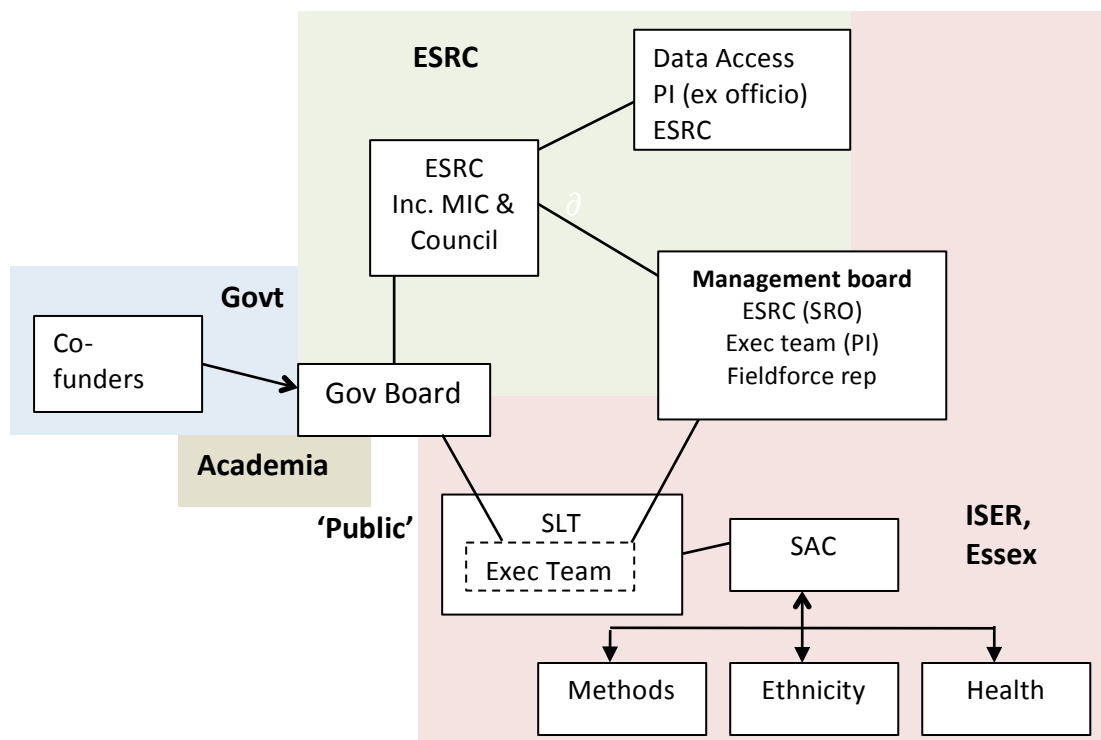
a. Understanding Society (USoc)

The largest longitudinal panel study in the world, this ESRC-funded panel follows 40,000 households (100,000 respondents) every year. Funded for a total of £48.9M between 2009 and 2015, it also receives funding from 7 government departments, 1 government agency and the devolved administrations of Wales, Scotland and Northern Ireland. The contribution from government departments is not significant in the sense that Understanding Society would continue to operate more or less with the current model without it.

Relevance to UK Energy Lab

Understanding Society provides a number of important lessons for the potential governance arrangements in a future UK Energy Lab study. The project comprises many of the same features of an anticipated UK Energy Lab

– large scale and budget, mixed funding from government and research councils and long-term, strategic data collection. The differences are also significant though: government funding and therefore governance input is very limited. The pace of data turnaround is slower and the focus much broader. This study is one derived from a pure ESRC project (British Household Panel Study) and so is more directly a research council project than a policy-oriented project. Due to the breadth of coverage, USoc governance is extremely broad – the most complex arrangement in all of the studies we reviewed. A graphical representation of the governance structure is visible in Figure 1.



Key: ESRC – Economic and Social Research Council; MIC – Methods and Infrastructure Committee; PI – principle investigator; Gov Board – governing board; Govt – government; SLT – Senior Leadership Team; Exec team – executive team; SAC – Science Advisory Committee; ISER – Institute for Social and Economic Research, University of Essex

Figure 1: The governance and management arrangements for Understanding Society, showing how the major actors ‘jurisdictions’ (coloured backgrounds) interface and ‘own’ different structures (boxes and arrows).

Effectiveness of arrangements

The survey has only been in place in this form (it grew out of the former British Household Panel Study) since 2009, but it has grown to take its place as *the* study of social (and, increasingly health) life of UK citizens. It has acquired a strong profile across the social science sector and attracted additional funding from 11 government bodies, reflecting the degree to which the wider stakeholder group sees the value in the survey.

The main issues tend to be around the number of interested and funding partners – not surprising given it's location at the heart of a wider range of issues – and the complexity of the governance arrangement may at times feel too constraining from some perspectives. Nevertheless it seems to operate well at keeping funders interest, despite the challenges of the relatively slow turnaround of data and the complexity of datasets. It was notable that the policy communities emphasised the need for it to be different to the way the Labour Force Survey is run (see below).

Notably the governing board acts more like a 'stakeholder advisory' board: a place where different interested parties can raise concerns or issues and to influence the survey. In practice the governing board operates effectively, though this has taken time to develop given the complexity of the arrangements. Part of the issue has been defining the nature of the focus of the governing board, and also (to some extent, and based on the author's personal experience of the board) how (and how effectively) the funders' government can feed in their concerns.

b. Life Opportunities Survey (LOS)

The Life Opportunities Survey is a longitudinal panel of adults that focuses on disability in terms of social barriers to participation. Since the outset its fieldwork has been funded by DWP/ODI, though other government departments contributed financially towards initial work on questionnaire design and coverage. Fieldwork began in 2009/11 and is carried out by the Office for National Statistics (ONS), initially as part of its Integrated Household Survey.

As it is funded by a single government department, the governance structure for LOS is a simple one, comprising two key elements:

- ONS survey management board, involving key ONS staff plus staff from other involved government departments (i.e. those who were funding other question sets on the Integrated Household Survey). This board would deal with high-level issues such as sample design, core questionnaire content.
- Survey management team. This team ran the survey and involved DWP/ODI staff as well as their counterparts in ONS.

Outreach to other stakeholders included:

- Other government departments, via bilateral discussions e.g. on how they might access and use the data.
- Academia. Initially input from specific individuals, at later stage set up an academic steering group involving academics.
- A Reference Network of around 60 disabled people was set up to advise on each stage of survey development, including prioritisation of topics

for the questionnaire and advising on how to make the process of recruitment and interviewing accessible.

Relevance to UK Energy Lab

LOS has a simple governance structure, reflecting the fact that it is funded by a single government department. We would envisage the UK Energy Lab requiring more complex arrangements. However, LOS does provide a number of useful insights for the new study, not least the desirability of avoiding linking its rationale to a specific policy lever or strategy (as these can quickly date). Other issues of relevance include the disadvantages of a two-year fieldwork period and the importance of regular results in terms of engagement with key stakeholders.

Effectiveness of arrangements

While the study appears to have done well in bringing in wider stakeholder input into the design of the study, the single Achilles heel is its narrow policy focus that is in part related to the fact it was funded by only one body. It's clear that for any survey to have a longer-term (multi-government) appeal it is likely to need to speak to a wider, more general portfolio and have that reflected in alternative funding arrangements. In some respects, many of the issues here seem to be dealt with effectively by ELSA (see below), and by the approach taken with the Longitudinal Study of Young People in England (LSYPE). We did not review the arrangements for this study, but note that it was originally a study funded by the Department for Education, which was recently moved to research council funding. Consideration was given to its incorporation into Understanding Society, reflecting the general trend for studies of this sort to be more broadly based rather than policy specific.

c. Wealth and Assets Survey (WAS)

The study began in 2006 and covers all sources of household and personal wealth. 30,000 households were interviewed at Wave 1, 20,000 at W2&3. It is mainly funded by DWP and ONS, with smaller contributions from other government departments such as HRMC and bodies like the Scottish Executive.

Its governance arrangements comprise:

- Technical Group which involves analytical staff from all of the consortium of WAS funders. This meets monthly.
- Steering group that meets around every three months and signs off key proposals from Technical Group.
- User group meetings. These are well attended by a range of parties and focus on showcasing the survey and providing advice and guidance on data use. Users also use this forum to explain their use of the survey data and share issues.

Relevance to UK Energy Lab

Key insights here relate to the ways in which the WAS governance structure enables government funders to demonstrate its value for money to their research budget holders. The frequency and format of its technical group are seen as fundamental to this. However, ensuring the continued engagement of smaller funders in both tiers of the governance structure has been an issue, particularly at the Steering Group level. The User group meetings and high levels of engagement with these are obviously relevant to the UK Energy Lab.

Effectiveness of arrangements

The review of the arrangements undertaken by WAS (2012) reported that they worked relatively well. WAS has a key role for its core funders, but unlike the related LFS regularly goes through funding reviews in part due to uncertainties around funding from the key Whitehall department interested, DWP. The lesson from the related LFS is to either gain a status of a statutory survey (like the LFS) or to follow an approach more similar to Understanding Society or ELSA in having a broader funding base and appeal.

Key Document: Wealth and Assets Survey Review Report (see Appendix A)

d. Labour Force Survey (LFS)

The Labour Force Survey has been in place since 1973, and is carried out annually with quarterly reporting. It has a sample size of around 41,000 per quarter (164,000 per annum) making it one of the larger social surveys in the UK. The survey is entirely funded by the Office for National Statistics, as well as being run and delivered by their own fieldforce. The governance structure is therefore extremely streamlined enabling the survey to be turned rapidly towards emerging policy agendas if the ONS agrees. An example of this is the use of the LFS as a vehicle for collecting wellbeing data as part of the recent push to gather better data on this in this UK. Supplementing an executive management team overseeing the survey, there is a stakeholder group comprising representatives of Her Majesty's Treasury, the Bank of England and the Department of Work and Pensions, Department of Business, Innovation and Skills and the devolved governments of Wales and Scotland. Although the group has a strong input into the future of the survey, ONS retains the casting vote.

The funding for LFS is seen as a core activity – as such there is never any debate about whether it will be funded from year to year. Effectively the destiny of the survey is the same as the destiny of the ONS. This contrasts with the WAS which is portfolio rather than core funded. Nevertheless the LFS team feel the need to remain relevant and deliver outputs from the LFS than ensure it remains a critical element of ONS delivery. One key element that helps in that regard is the rapid turnaround in data which helps keep users engaged and the survey on topic.

Relevance to UK Energy Lab

The LFS uses a mixed research design, being mostly cross-sectional but with a longitudinal element. It also reflects a completely different delivery model to either the Understanding Society or the BBCS (see below). The survey fieldwork, management and funding of the study is entirely within the ONS, giving it the simplest organizational structure of all the surveys reviewed to date.

Effectiveness of arrangements

In many respects the LFS has the most efficient and in some respects the most effective governance arrangements of all the studies we reviewed. In large part this is due to its position as a protected survey, run and funded entirely by the ONS. This of course is reflected in its endurance and its continued relevance to policy debates. However, it reflects one approach to supporting surveys that is almost diametrically opposed to other studies such as ELSA. The relatively closed approach means that wider stakeholders are less able to influence the direction of the survey that can lead to it having less impact or relevance than it might otherwise have. In many respects this model is the same as that followed in the US with RECS (see below).

e. British Birth Cohort Studies (BBCS)

The British Birth Cohort Studies (BBCS) are a series of cohort studies (that is, where sampling is based on a common starting point, in this case sharing a birth date). These surveys are distinct compared to others under consideration, as they tend to have waves of data collection that are often separated by 5 years or more. The data from these studies was originally focused on understanding developmental and health conditions but have since grown to cover wider issues. The BBCS are run by the Centre for Longitudinal Studies at the University of London's Institute for Education, and comprise the National Child Development Study (NCDS, started in 1958), the 1970 British Cohort Study (BCS70), the Millenium Cohort Study (MCS) and is currently gearing up to start the Life Study. This is receiving funding of £38.4M from the Economic and Social Research Council (ESRC) and the Medical Research Council (MRC) £38.4 million study, including £24.5 million commitment from the Government's Large Facilities Capital Fund.

Relevance to UK Energy Lab

The funding arrangements for the BBCS studies is more like the baseline assumption proposed for UK Energy Lab: significant support from the research councils underpins the ability of the studies to happen over the long timescales. The Life Study in particular – with significant funding from the Large Facilities Capital Fund – demonstrates how reasonably significant sums of central government funding can be mobilised to invest in these studies. However, the nature of the designs of cohort studies and the medical

underpinning is a point of difference that needs to be taken into account. In particular the difference in the relationship between the data provided and external interests between this and the proposed UK Energy Lab (where there are significant private sector energy and infrastructure actors who would benefit from the study) mean that governance arrangements probably need to differ from that used by the CLS.

Effectiveness of arrangements

There is clearly a great deal of confidence in the approach taken by the CLS in governing these studies, as reflected by the further large-scale investment in the Life Study. It will be important to ensure that key lessons from the CLS are incorporated into the running of the governance arrangements in any UKEL. Appendix B gives detailed, helpful description of these arrangements. The only key difference noted in the governance arrangements between CLS and USoc are in the membership and function of the governing boards. CLS board is involved very much in future finance planning, and is comprised mainly of funding representatives, with little input outside of academia (only two of ten are non-academic representatives). USoc serves a much wider constituency and the governing board acts to serve as a place to discuss the future direction of the survey, with finance matters covered elsewhere. It is likely that the latter model is more effective for a UKEL.

Key Documents: Governance Arrangements at CLS (See Appendix B)

f. English Longitudinal Study of Aging (ELSA)

ELSA has a complex funding arrangement, with approximately half its budget coming in the form of a grant from the National Institute of Ageing in the US, and the rest from government departments in the UK. Currently DWP and DH currently are the main funders, along with DfT. ELSA is managed and carried out by a consortium comprising University College London (who lead the consortium), NatCen Social Research (who carry out the fieldwork), IFS and the University of Manchester. The study is currently funded to complete 12 years of data collection to this year (2014) having started in 2002.

ELSA's governance arrangements comprise:

- ELSA Management Board, with representatives from the four different institutions who manage the study. This Board is very involved in the detail of the study (for example, sampling, response) and meet monthly.
- Advisory Group containing government funders and ageing experts, headed by an independent chair. These meetings are attended by one representative from each of the institutions in the ELSA team. Its role is very much advisory. Meetings are annual.
- Funders group containing representatives from each of the funding departments. Initially government funders were coordinated and managed by the Office for National Statistics, but the ESRC will now play

this role. The Funders group agree contracts, discuss content and make requests about future content. They meet 3-4 times a year.

- Requests for access to data that is not already available (for example because of disclosure concerns) are dealt with by NatCen.
- International Advisory Committee that meets every two years (includes international experts and NIA).

Relevance to UK Energy Lab

ELSA seems highly relevant to the UK Energy Lab, particularly because of the blend of different funders involved and their different motivations and expectations about what they can get from the study. Despite this, the governance structure is far less complex than is the case on Understanding Society, and those involved in the study felt this was to the benefit of the study. There are useful potential lessons about how best to work with funders as a whole and, particularly, how to engage with smaller funders and ensure that they remain committed to the study. Interviews also flagged the need to ensure that sufficient resource within the core team is available to spend time on dissemination and impact. Finally, there are lessons in relation to the dataset and its complexity; this has caused problems for non-academic teams and suggests that the UK Energy Lab should give thought to how best to ensure that the data can be accessed and exploited as widely as possible. Any governance structure will also need to have a clear system of agreeing access to data that is not publically available.

Effectiveness of arrangements

The overall funding arrangement for ELSA is marked out by its distinctiveness. It appears to be the only longitudinal panel in the UK that is both funded by a range of government departments to a significant level (50%) and not funded by a UK research council. In that respect ELSA is something of a triumph of funding over what could be seen as the two mainstream models: either major research council funding supplemented by government departments, or one or two government departments funding alone. In addition, ELSA has managed to maintain stakeholder commitment despite increasingly complex data. Nevertheless it remains to be seen how ELSA will continue into the future.

g. Residential Energy Consumption Survey (RECS)

The Residential Energy Consumption Survey is a regular cross-sectional survey of domestic energy consumption in the US. It is the only currently on-going long term, nationally representative survey of energy consumption in the world, though in some respects it is similar to DECC's NEED framework. It has been running since 1978, with thirteen waves up to 2009 (the most recent wave) – though not at regular intervals. It is run from the US Energy Information Administration, an independent branch of the US government (akin to the ONS in the UK) with an annual budget of \$117M in 2013, with \$15M given over to RECS. The EIA is also responsible for running the

Manufacturing Energy Consumption and the Business Energy Consumption Surveys. The RECS is built into legislation, so it is protected by law.

Relevance to UK Energy Lab

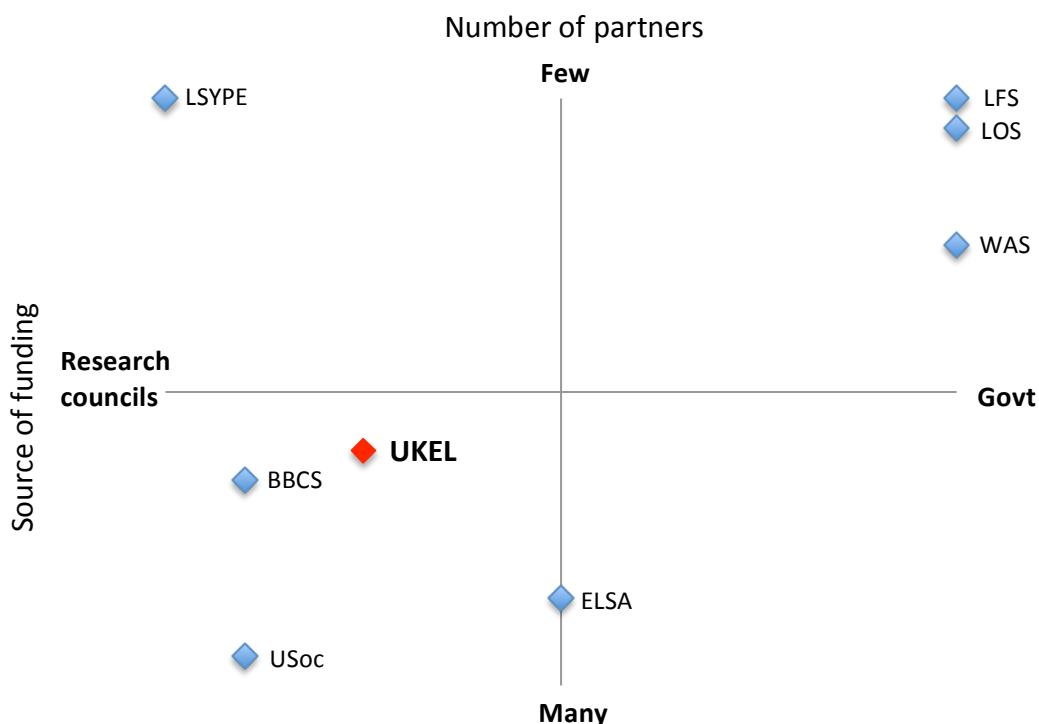
The RECS is the only survey of energy consumption that samples domestic settings at a nationally-representative level in the world. The survey is only a social survey with some building information taken, so it is more akin to the level 1 data collection set out in the main report. Furthermore, it samples 12,000 households in order to derive representative data for 113.6M homes. More detail on the data collected is available in Annex B to the main report. The study shows that it is possible to run such a survey on this scale, and have its funding maintained over a period of decades. However, the lack of integration of direct measured data (what we call Level 2 data in the main report) and wider stakeholder representation in the management of the survey mean that the model of governance is one unlikely to work effectively in the UK. The closest arrangement would be for the ONS to collect this data in a way similar to the LFS, which as we have seen does provide protection but also limits influence.

Effectiveness of arrangements

The longevity of the RECS – as a survey of energy use - is its outstanding feature globally – the only regular survey of domestic energy use internationally. Clearly this model is one based on regulatory protection, similar in many respects to the LFS above. Nevertheless a visible whittling away of resources is also visible, meaning the survey waves become increasingly stretched over time, which itself raises questions about its ability to provide outputs which can be of direct policy relevance beyond raising the agenda.

3. Lessons learned

Below we set out a number of lessons learned across different domains as they became apparent from our interviews with the various leads and interested actors for each survey.



Key: BBCS – British Birth Cohort Studies; ELSA - English Longitudinal Survey of Aging; LFS - Labour Force Survey; LOS - Life Opportunities Survey; LSYPE – Longitudinal Study of Young People in Education; USoc – Understanding Society; WAS – Wealth and Assets Survey. UKEL – UK Energy Lab approximate ‘ideal’ location should funding be sourced from multiple partners.

Figure 2: Long-term nationally representative surveys in the UK plotted according to funding mix (government vs. research council) and number of funding partners. Analysis of the status of the surveys within the chart suggest that towards the bottom is better for longer survival and impact that the top (LFS is an exception) and that towards the left is better than towards the right.

a. Stakeholder engagement

- Making data accessible to supporters/stakeholders – this includes looking to ensure more rapid throughput than biennial (LFS outputs quarterly, whereas LOS, WAS and USoc have longer term output cycles). This also includes managing the complexity of the data. Examples of this could include reducing the scope of coverage (e.g. not following every household member when households move) to ensure data complexity

remains low (Usoc, ELSA) as well as thinking about the complexity of the final datasets and whether or not different versions are produced for different audiences (ELSA, USoc).

- Ensure dissemination and user support are a key consideration for governance (both ELSA and Usoc reported either a desire to or actually making new investments in staff to boost their ability to disseminate).
- Preferable to keep to have a separate body that decides about access distinct from data collection management structure (same in ELSA but separate in USoc) to ensure fair access.

Overall a mix of funding and funders is better than single funder or funding sources.

b. Structural considerations

- Ensuring buy in and structures are reflective of power and funding interest (USoc, LOS)
- It will make sense to decide governance structures collectively – though some circumstances demand a top-down determination due to context (USoc)
- Avoid top-heaviness to ensure sufficient flexibility for responsive delivery (USoc)
- Keep the structure simple and clear (ELSA, WAS, BBSC) and while having partners is beneficial to ensuring wider impacts, there is a risk in having too many – around 4-6 seems manageable
- Consider carefully whether to separate management and science advisory board (they are same in ELSA, different in USoc, BBSC) – there are pros and cons, but this may depend on the balance of policy vs academic stakeholder involvement.
- Consider separating out stakeholder representation and governance (conflated in USoc, separate in LFS) and ensure good user representation and power (better in Usoc than in LFS)
- Consider having 2 chairs for Governing Board – a principle and a deputy who can both cover for one another but who can also bring different skills to the table. Especially useful where complex studies are concerned [Usoc]
- Consider collective funding model in early development (as per LOS) but avoid attempting to go it alone where survey is very policy specific (e.g. LOS vs LFS) where the combination can lead to isolation. Broadly relevant (i.e. strategic) data relevant for a number of bodies (e.g. LFS) can sustain a single funder model, but this may be too unique a case for UKEL at this stage.
- Prioritise consideration of how to future proof the study (LOS). This may be simply ensuring that data are relevant to a range of agendas, that is seen as more fundamental to understanding what is happening in society than one constructed in association with a specific policy agenda.

- Plan for a start up phase of governance and then an on-going phase.
Remain flexible and keep focused on the decisions that need to be made.
Think about following elements of PRINCE2 approaches (USoc)

4. Proposed funding and governance arrangements

Figure 2 shows how the surveys reviewed sit in a space framed in terms of partnership size and funding source. The general message is that being lower in the map is better, but not too far down – this ensures interested stakeholders meaningfully (i.e. with funding) support the survey. To make this functional, it needs to limit the number of partners in some way so that a clear focus and purpose is retained and outputs are not compromised. Being towards the left is good (for stability, independence and to add strategic value to a wider range of research activities) but not too far left (to retain relevance). Consequently the top of the bottom left quadrant is the sort of space the governance model for UKEL should aim for.

In the main report we develop this funding model more precisely and explore what it might mean for different designs of a UKEL and the costs implied. We set out a possible governance structure to reflect the particular needs to the UKEL but recommend future development is done once further commitment is in place. It will make sense to draw on the expertise in governing longitudinal studies at the Centre for Longitudinal Studies (CLS) in order to ensure the ways of working match the effective practice identified via the CLS experience.