
Considerations for difficult VfM assessments

A complementary guide

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strategyandevidence.com
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This initial guidance is intended to be complementary¹ and to be used when VfM assessment is ‘difficult’. Much of the available guidance you will find assumes a distinct, identifiable and easily observable set of beneficiaries upon whom a specific direct intervention is taking place.

That is a quite restrictive scenario and is becoming even more so as government adapts to changing society- here we aim to help with a wider set of situations that might include (but is not limited to):

- situations with no direct or difficult counterfactuals, e.g.
 - a whole, or an undefinable, population is concerned
 - such as hard to define marine areas
 - national/global changes
 - regulatory changes
- complex projects that show, for example,
 - complex causality
 - non-linear responses of results to resources
 - adaptive management
- interventions where outcomes are in the realm of likelihoods (*note this is also often a difficult counterfactual*)
 - transformational risk-based interventions
 - impacts are not necessarily complete and/or properly observable at the time of assessment
 - long-term projects with results that emerge beyond the intervention
 - hard to define and observe phenomena such as human capital
 - success is defined as an increased likelihood
 - e.g. innovation policy aiming to increase likelihood of startup success
 - success is about preventing something that may or may not happen
 - such as counterterrorism, potential failure of a water pump

This guidance is not intended to provide a simple set of answers or to give specific advice – the range of possible scenarios you could meet are too numerous – instead it offers points for consideration and reflection to support you in seeking your own answers.

¹ This is the first in a developing suite of guidance to be used alongside the wide range of existing VfM (and related) guidance. As practice evolves this suite of guidance will co-evolve with it. See the note below in this document on sharing best practice / critiques / assessment of methods and note the link-library and forum resources that work with this guide at <https://www.strategyandevidence.com/vfm-resources/>.

We also introduce the Resources to Results (R2R) approach² which promotes a mindset that can be useful in non-standard and difficult VfM analysis.

Resources to Results (R2R): beyond VfM

R2R creates a new mindset that examines Resources to Results pathways.

The main principles that sit behind R2R are:

- overturning the primacy of narrow monetary considerations *through recognising broader resource definition, the importance of 5-capitals thinking and societal and participatory perspectives*;
- acknowledging complexity and uncertainty *through outcome likelihoods, complex causality and a conscious focus on the time-dimension*;
- promoting equity and distributional questions;
- evidence-based retention/rejection of economic assumptions.

Framing, good questions and early engagement with stakeholders

When stakeholders are concerned with a difficult context, poor questions can obscure any good insight that *has* been created so it is especially important to establish tight questions and, whenever possible, get early engagement:

- get solid and upfront stakeholder agreement on the right questions and sub-questions
- develop a hierarchy of questions, distinguishing between must-know information and nice-to-know insights
 - relate this to the use and feasibility of insight (see below)
- link questions to the Business Case structure (if that exists) and/or other clear programme documentation such as “Theories of Change” (ToCs), existing wider evaluation questions or statements of intent
- ensure that concerns specific to monitoring Resources to Results are considered with other setup of monitoring early on
 - highlight especially the often-forgotten element of resource/costs
 - if any monetisation exercises are to take place in the economic methods, such as CBA, you may need additional evidence that is best collected

² The R2R approach is constantly under development and latest versions can be found at <https://www.strategyandevidence.com/r2r/>

alongside other data during the lifetime of the intervention e.g. stated preference or individual's wellbeing data

- consult other people's VfM assessments and evaluations in a similar or neighbouring field to inspire your own VfM question(s) on Resources to Results
- clearly set out the key characteristics of the assessment context and their potential implications. Use this to develop targeted questions, particularly concerning:
 - risk-based interventions, likelihoods and uncertainty
 - capitals⁴: Identify the different forms of capitals (human, social, natural, physical, financial) likely to be affected/built by the intervention
 - complexity: ensure your questions explicitly reflect any existence of complexity³ - use 'complexity language' and formulate your questions around such things as complex causality, multiple pathways, interactions and the 'whole system' context
 - multi-level nested portfolios: define the portfolio and, within that, programmes and individual projects or even further nested elements: each of these levels may have its own appropriate set of questions and approaches to understanding the Resource to Results pathways
 - adaptive management: are there, for example, questions on dynamic reallocation of resources? Real time analysis may be required (and needs to be set up early).

Shaping your approach

When considering your approach:

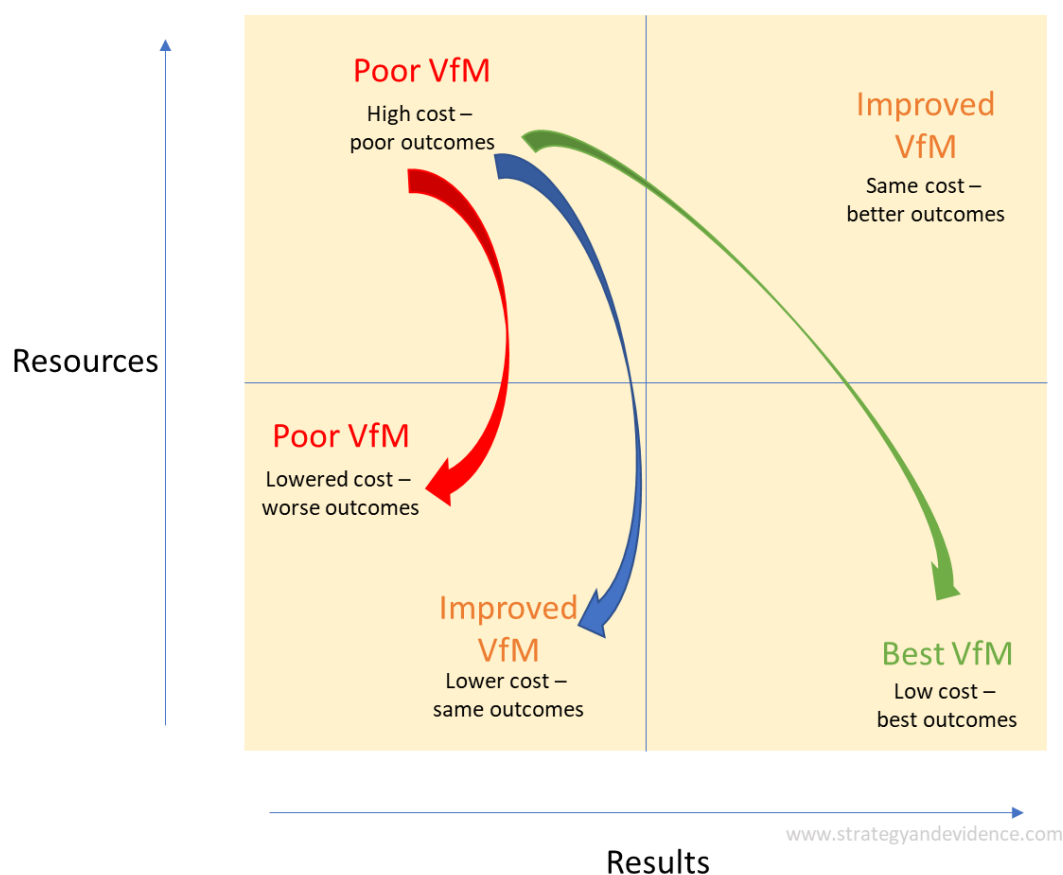
- separate out scope - being what you decide to cover - and resolution - being the level of precision or detail that you decide to go to
- be cautious with more sophisticated techniques to ensure that they really offer a better answer to your question - and that you actually need a better answer
 - simple analysis is cheaper, quicker and often more credible, because people understand it

³ See other sections below, documentation on R2R at strategyandevidence.com and resources at www.cecan.ac.uk

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- use ‘standard’ methods and approaches in a thoughtful and sensitive way – adapt them gently⁴
 - for example, creative use of cost-effectiveness analysis (CEA)⁵ with a meaningful single measure to suit the context (possibly synthesised or modelled) can be a good option
 - caveat any shortcomings (see below on transparency)
 - but... do be ready to embrace new and innovative approaches that solve your problem
 - for example, in the space of complexity or likelihoods
 - if you have certain methods in mind, can these reasonably be done more quickly with less accuracy if that is appropriate?
 - establish the level of detail needed to answer the questions and be prepared to advocate simplicity
 - the matrix below is very light-touch and “low resolution” but is still a valid VfM analysis: just by placing intervention / sub-interventions on the grid
 - it can be valuable to start with a very simple method and work up from it, asking at each step upwards, “why do I need more?”

⁴ An argument supporting this is made in Astill, S., & Cairney, P. (2015). Complexity theory and political science: do new theories require new methods?. In Handbook on Complexity and Public Policy (pp. 131-149). Edward Elgar Publishing.

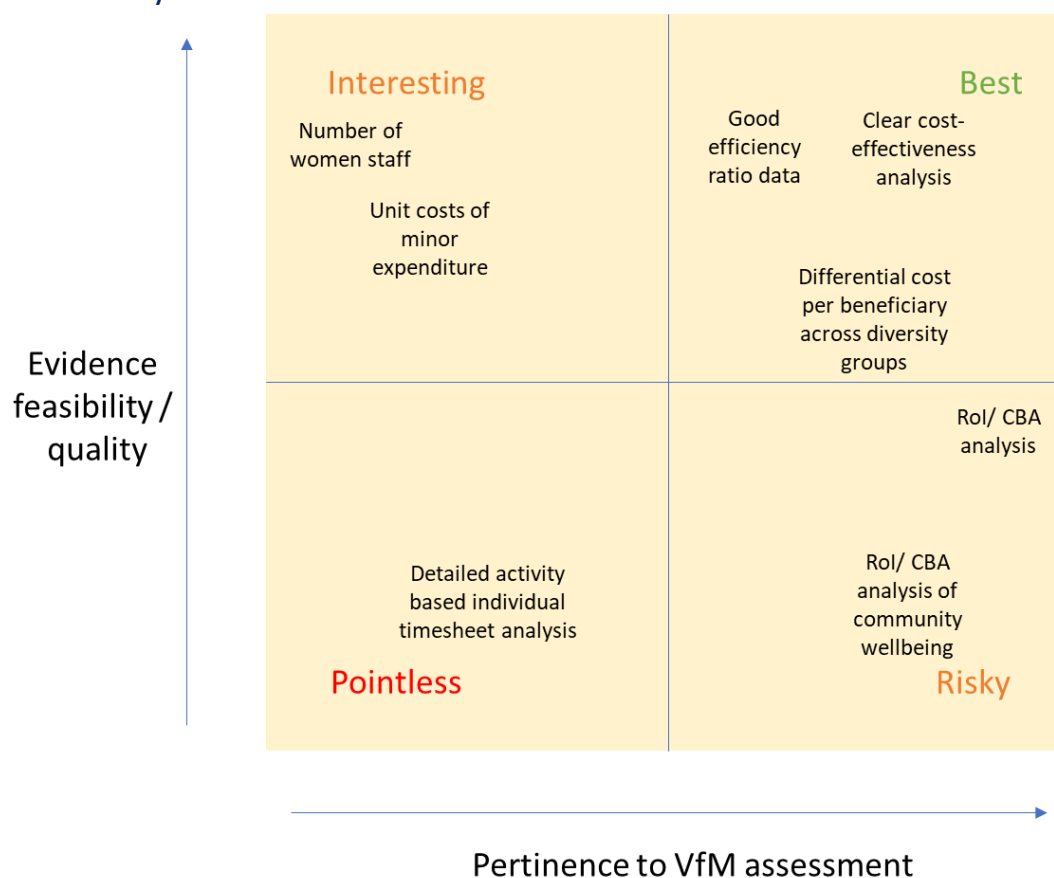
⁵ Some useful guidance on CEA is found, for example, in TASO’s Framework for Economic Evaluation: guidance (2024) at <https://taso.org.uk/libraryitem/economic-evaluation/>



- make a data source table for the intervention costs, benefits and impacts
 - rate the quality of each of these sources with brief description of any shortcomings
- focus on cost data – and don't forget other resources that the intervention may draw on
 - make a rough table of some meaningful resource/cost breakdown to inform your focus and suggest where you should put your analytical efforts
 - by sub-intervention, geography or another meaningful dimension
- don't be afraid to step back to earlier parts of the 4E model⁶ – thinking about process/activities or resource use
 - aim for a good picture of the pathway of Resources to Results without needing a vast web of assumptions
 - use intervention resources/costs data to link in at any and every point that produces insight

⁶ As set out, for example, in section II.A.iv of <https://www.cipfa.org/policy-and-guidance/reports/a-guide-to-support-value-for-money-vfm-analysis-for-public-managers>

- map out the possible methods/approaches you might take on a simple grid (e.g. below): show pertinence to decision-makers against feasibility of rigorous analysis



- stay on top of technological change – some things are getting easier quickly and could change your methods' feasibility within the timescale of your work
- highlight complexity sensitivity and an overall system perspective
 - use a participatory system mapping⁷ to identify interconnections within and beyond the intervention
 - see which interactions, if any, are important to VfM concerns
 - e.g. 'explosive' combinations that individually contribute proportionately to results but when both occur together there is a great effect – for the same cost!
 - look both at parts of the intervention and/or external context or actions
 - highlight and adopt methods to handle complex causality⁸
 - consider non-linearity effects on your analysis

⁷ See cecan.ac.uk

⁸ Explore influence mapping (OLCA – www.quantqual.net) and other methods such as QCA at cecan.ac.uk

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- do results change their relationship to resources in unusual ways?
 - draw a timeline for the results of the interventions
 - assess whether the value emerges or is latent/ delayed (such as capital building/improvement)
 - look where value emerges in relation to the intervention period, to the points of analysis and compared the points of evidence collection
 - examine the counterfactual⁹
 - assess the type of counterfactual in use – is it a constructed comparison group, completely modelled or synthesised in some other way
 - examine how this can affect how you link resources to the *attributable* results of the intervention
 - avoid thought-traps
 - ignore peer pressure towards a ‘gold standard’ or ‘fashionable’ approach, instead make a rigorous evidence-based assessment of approaches
 - don’t fall into the familiarity trap of using your ‘preferred method’ even though it doesn’t really do the job: avoid thinking like a worker with a hammer who sees everything as a nail.

Delivery and presentation of the assessment

The way that difficult analysis is delivered is the difference between it being accepted (and of value) or rejected (and worth nothing).

Transparency becomes much more important when you work in difficult analysis situations. Often, drawing *unnecessary* attention to uncertainty and shortcomings would reduce the credibility of your analysis leading people to lose trust and not use it. However, in difficult VfM/R2R analysis this is generally not true – you should favour transparency to create trust when people may feel uneasy.

- clearly state the key assumptions of the analysis and their potential implications
 - acknowledge uncertainties around your assumptions and key parameters
 - document your work with appropriate detail and, if possible, make that available so that others can substitute their parameters or assumptions in for yours to see what changes this implies (i.e. do their own sensitivity analysis)

⁹ Carrying out the actual impact assessment is technically outside the scope of VfM/R2R assessment – that’s not to say you won’t be the person doing it

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- use visual aids and structured frameworks (such as quadrant dashboards) to help stakeholders understand the Resources to Results pathway.
 - tools from emerging technology can make complex R2R relationships more accessible, intuitive and even interactive for decision-makers
 - modern tools are very good with patterns and it is often the patterns, rather than the numbers, that tell the story
 - share emerging findings early (if possible)
 - leverage this to advocate your approach and understand people's reactions
 - feedback into your process to modify practice and presentation
 - assess any organisational / stakeholder expectations or prejudices about what a rigorous VfM assessment consists of
 - e.g. is a CBA seen as 'the only answer'? Are quant answers distrusted?
 - can you shape or overcome these issues? If not, how can you mitigate any potential risk of conflict?
 - what is the appetite for details/precision from decision makers¹⁰? Find out who can help you understand how to influence them?
 - situate the new knowledge in the existing context
 - ensure your analysis comes across as relevant and influential by a focus on the "wrap around" explanations and justifications that you add
 - consider how to position insights within existing decision processes rather than creating parallel structures
 - this is especially important where there are live resourcing or adaptive management decisions of any kind
 - highlight the value of the engagement of stakeholders in the assessment process itself – learning doesn't just happen at the end of the assessment
 - where possible involve participatory approaches to encourage stakeholder engagement and ownership
 - the process of conducting a comprehensive R2R analysis can change perspectives and improve strategy, policy making and implementation.

¹⁰ See points above about involving stakeholders in setting the question

Knowledge development

Your R2R / VfM analysis should itself be subject to critical examination and improvement and it has to use your own resources well: even your VfM/R2R assessment has to meet VfM criteria!

Practice is always moving forward and knowledge doesn't stand still – learning never ends.

- work with others, whenever possible, sharing experience
- systematically appraise which approaches work best in different contexts to continuously improve practice
- build a library of intervention types, contexts and the approaches you use with their advantages and shortcomings
- make this a public resource if you can – you can contribute to the resource link library at www.strategyandevidence.com and join the discussion forum or start a conversation on LinkedIn: tag @StuartAstill (and others)
- develop communities of practice (CoPs) that can collectively advance methodology based on practical experience and emerging research
- aim to link your organisation's CoP with others to get wider forms of best practice.

Much of the content in this document is shaped by the discussions in the live sessions of my VfM training courses and is proof of the value of sharing practice, and especially the honest sharing of concerns about problems. I would like to thank the hundreds of delegates who have offered their valuable experience, as well as their worries, for me to reflect on so making it possible to produce this guide.