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DANCE AND DRAME AWARDS SCHEME EVALUATION PROJECT PHASE 2

**DANCE AND DRAMA AWARDS:
AN ECONOMIC PERSPECTIVE ON EMERGING EVIDENCE**

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Author's note:

Please note that some comments made in this paper suggest that there is a need for some significant changes in the approach taken by DfES/LSC to the D&DA scheme. It should be emphasised, however, that these comments do not take into account the resources made available within DfES or the LSC for policy development and delivery of the Scheme's objectives; they do not, therefore, imply any assessment of those involved in its management.

The paper has been written while other part of the evaluation were being prepared, Some of the analysis is subject to revision after further reflection, especially that in section 3.

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1. Introduction

In addition to the evolution of the D&DA scheme itself, the administration, monitoring and evaluation of the Scheme has been subject to significant change, involving fragmentation and uncertainty, over the life of the scheme since it was established in 1999. As regards administration, the roles played by the DfES, HEFCE and the LSC in assuming responsibility for the funding of education and vocational training in the performing arts has shifted radically. Moreover, these changes reflect alterations in the interpretation of how the content and delivery of further or higher education in relation to the performing arts should be matched to the needs of students, employers and the wider society. They also embody more pragmatic responses to the situations facing some performing arts training providers, sectoral bodies and other public agencies.

Monitoring has, inevitably, been complicated by these circumstances and the difficulties inherent at the best of times with the evaluation of such education and training programmes have been exacerbated. Moreover, the evaluation team has, from time to time, been faced with the need to negotiate an awkward mix of requirements, reflecting DfES's changing priorities whether in relation to seeking stronger analysis on which to base its case in advocacy situations (for example, in the spending review context, where the original time-table for the Warwick contribution during the Phase 2 evaluation was abandoned entirely) or in connection with managing the Department's short-term relationships with the Schools and other public agencies involved in accreditation and quality assurance, rather than with the intrinsic merits of the scheme which were the principal focus of the evaluation.

This paper draws on the previous study (Lindley, 2001) which examined the D&DA scheme from an economic perspective during the Phase 1 evaluation exercise, along with the contributions of the various empirical studies during the Phase 2 exercise. Some of the findings of the latter have appeared simultaneously with the writing of this paper. A revised version will therefore be required to take them fully into account. Moreover, the process of reflecting on the evidence produced most recently may also suggest some further questions to pose to the quantitative and qualitative data in addition to those already addressed.

In this paper section 2 reviews the underlying economic rationale for the scheme; section 3 very briefly summarises the principal findings from the empirical parts of the evaluation, focusing on those which relate primarily to the main elements of the economic rationale; section 4 draws out the main implications which the forthcoming Review process might bear in mind; section 5 puts forward proposals that would help to ensure a sounder, more holistic evaluation and Review process in future; and section 6 identifies some key areas of continuing research that are needed to support the effective development of the D&DA scheme from the economic perspective.

2. The Underlying Economic Rationale for the D&DA Scheme

In exploring the economic rationale for public intervention in the performing arts sector the following conclusions are reached:

- (a) the emergence of more performing artists capable of playing the elite role envisaged is unlikely to be generated spontaneously by the changing dynamics of the cultural sector and the evolving relationships between commercial, subsidised and hybrid activities – market failure and inequity will probably impede the achievement the highest quality scenarios in the training market with negative implications for the labour market;
- (b) the situation is one in which raising standards among the more able performing artists and strengthening the training of new entrants should be seen as a priority;
- (c) the economic case for raising the quality of labour supply is likely to be stronger than the social case because the sorts of projects to which this group of performing artists will contribute most are probably not likely to be primarily concerned with combating social exclusion;
- (d) this still leaves the issue of how people are chosen to receive support and the equity-efficiency issues which that raises - it is assumed that equal opportunity to enter the performing arts is both an end in itself as well as a means to the end of achieving a stronger performing arts sector deploying the best of the talent available - which would pay dividends economically and socially.

In the light of the above and the analysis of policy objectives, factors likely to limit their achievement, and the forms of market failure present, the basic strategy, as seen from the labour and training markets, should be to respond to six imperatives:

- (i) differentiate labour supply so as to make it easier for aspiring performing artists to assess their chances more realistically and for potential employers to identify more easily the most promising candidates;

Evidence on this has not emerged from the interviews of D&DA graduates, because of the lack of a comparison group. Quite high satisfaction with careers to date is observed but accompanied by concern over job security and low incomes. Evidence of employers' opinions on the ease of identifying the most promising candidates is not available from the project.

- (ii) raise the quality of training and its relevance to product market requirements (as represented by the commercial and subsidised sectors taken together);

There is very strong evidence of a major improvement in the quality of training but it is less certain how well it fits the needs of employers compared with pre-D&DA era.

- (iii) make the quality of training transparent from the potential student's point of view;

There is very strong evidence that the quality of training and the transparency of standards achieved have been substantially increased because of the effects of the regulatory processes accompanying the introduction of the D&DA scheme.

- (iv) ensure that talent and competence determine access to initial training and CPD;

As regards initial training, there is evidence of processes becoming more rigorous and effective but the outcome in terms of more equitable entry patterns is less apparent. No evidence is offered on this point directly in relation to CPD. However, the study identified a need for D&DA graduates to be able to 'top up their qualifications to reach the equivalent of first degree recognition.

- (v) create a more effective market in CPD;

No evidence presented on this point.

- (vi) differentiate labour demand so as to make it easier for performing artists to identify the better agents and employers.

This is still a weak point in the functioning of the labour market for performing artists – a condition shared with a number of other cultural occupations.

After examining the D&DA scheme in the light of an idealised model of intervention which sought to use the process of initial training in a way which is consistent with the above, the following conclusions were reached about the design of the D&DA scheme and its outcomes.

The main case for D&DA is via raising the *quality* of supply by:

- extending access to training according to ability - *equity*
- regulating the quality of provision, first, in funded institutions and, then, overall – *leverage*.

It *should* also improve the operation of the labour market by:

- enhancing job-search and career skills - *employability*
- clearer quality standards - *transparency and credibility*.

3. Evidence on the Four Grounds that Would Justify the D&DA Scheme

(i) Extending access - equity

Overall, there has been no statistically significant increase in the proportion of ethnic minorities participating in either dance or drama training, whether funded via the D&DA scheme or not. However, there has been an increase in black male dance students entering training.

As regards social class, there is evidence that the proportion of D&DA-funded students coming from poorer backgrounds has increased somewhat both for dance and drama but the proportions from better-off households is still very high.

The measurement of disability among the student body has been given insufficient attention by schools and the DfES to yield any conclusive quantitative results (but see below).

(ii) Raising the quality of provision – leverage

As already noted in section 2, there is clear evidence that the quality of training provision has improved in D&DA-funded institutions but whether the improvement has been as great as it might have been or whether it has led to a general raising of standards of training in the sector as a whole is not apparent.

That there should be considerable uncertainty about this point is somewhat disappointing. It follows directly from the failure of the DfES to support an evaluation process which ensured a stable population of schools being monitored rather than allowing non-responses from funded schools, truncation of coverage of those funded schools that transferred to the higher education or conservatoire sectors and exclusion of all non-funded schools from the research (though the last of these presents potential difficulties in getting agreement of the schools to participate).

(iii) Enhancing job-search and career skills - employability

In principle, this aspect of the D&DA scheme's effects could be measured by comparing the findings from three sources of evidence: surveys of graduating students that follow their subsequent labour market experience, surveys of agents and surveys of employers. Since students are only able to reflect on their own experience, the first of these would need to be obtained by examining the findings of surveys of successive cohorts of graduates, including graduates leave in the pre-D&DA era. The second and third would, ideally, follow the same approach but in these cases, there is also a compromise option, namely, to conduct *ad hoc* surveys of agents and employers, following the settling down of the scheme and the absorption of its graduates into employment, to elicit their views of its impact on the training given and the accumulation of experience, derived from a number of graduating cohorts, among agents and employers in assisting graduates to find work and employing them, respectively.

In point of fact the surveys of leavers post-dated the introduction of D&DA (i.e. they were not conducted during the first phase of the D&DA evaluation which concentrated on a formative assessment of the way in which training was evolving under the D&DA scheme). So there was no build-up of a 'base case' that might have served as a counter-factual to be compared with the results obtained from the first cohorts of graduates emerging from training under the D&DA regime (obviously not all such graduates will have had D&DA funding). In addition, the population of schools surveyed was not stable enough and the resulting sample sizes not large enough from the surveys of leavers in 2002 (the first main graduating cohort to emerge following the introduction of the D&DA scheme) through to 2005 for deductions to be made about any changes over time.

Finally, no surveys of agents and employers' opinions were carried out as part of the evaluation.

(iv) Clearer quality standards - *transparency and credibility*.

As already noted in section 2, the record of positive achievement is strongest in terms of leverage on the quality of training and its transparency and credibility in the training market, and somewhat patchy on equity and employability.

Lindley (2001) suggests that even if improvements in all four were achieved, they would be unlikely to be sustainable without continuing support. Certainly, there are aspects of the strategy represented by the scheme that could be seen as aiming to effect a *transition* to a higher quality regime for training. But this does not mean that the job is done and the market can or will take over, having seen a demonstration of the benefits of having much better prepared performing artists. This view is reinforced to date by the suggestion of qualified success to start with.

Finally, arguably the D&DA scheme is also likely to make 'demand-side' and 'supply-side' measures in the *product* market more effective, i.e. improve the coherence and mutual consistency of cultural and educational policies. But this can only be achieved over the longer term with a sustained effort and will not become apparent soon given the relatively recent introduction of the scheme and major reforms to it along the way.

The possibility of calculating (a) private rates of return which capture the benefits in relation to the costs to the individual in participating under the D&DA scheme and (b) social rates of return, which measure the overall return to society in general of the public investment were discussed. It was agreed that data would not be available to carry this out reliably especially in the case of (b) but also for (a). The benefits of the scheme are more likely, therefore, to hinge on evidence presented under the other categories noted above.

4. Implications for the Review Process

Since the research design sought from Warwick was not intended to produce performance assessments for the purpose of evaluating individual D&DA schools, it is necessary to be very cautious in drawing out any implications of the research for the 2006 Review process. Moreover, no attempt to include schools outside the scheme was made and one of the purposes of the Review is to determine whether or not there should be new entrants (and 'returners'). Some of the recommendations given in sections 5 and 6, if taken up, would, however, provide more support for the Review Advisory Group's deliberations if they were in part designed with provision of more comparative information in mind.

In a previous assessment the author concluded (Lindley, 2001) that:

'For the moment, the D&DA scheme needs to be continued, not least because evidence of its effects on the labour market experience of its graduates and their impact on performance arts and the creative industries more generally have yet to be established. Moreover, on balance, short-term action which, for example, sought to cut the scale of expenditure on D&DA or truncate it completely in say,

three years (2004/05), would involve risks of failing to capitalise on an initially promising investment. At a more substantive level, the labour market for performing artists needs a 'regime change'. The D&DA scheme clearly offers some leverage to achieve this and, whilst it is not a sufficient condition, it is almost certainly a necessary condition for doing so.'

The possibility of reinforcing significantly the extent of potential 'regime change', in the light of the tentative evidence we have at our disposal, may be a tempting prospect for the forthcoming Review. However, there is a need to look at several issues together and alongside several possible specific measures to boost access, there arises the matter of the long-term viability of the schools both inside and outside the D&DA scheme. Thus, one way of looking at the Review is to see it as providing stepping stones towards three outcomes for the system as a whole.

Pursuing greater equity via:

- (a) means-testing so as to tackle more directly under-representation of poorer students;
- (b) bearing in mind that spreading the awards across more or fewer schools should be a decision taken primarily to promote fairness towards potential students rather than fairness to schools – is there a trade-off between the two?
- (c) aiming for more 'regional balance' – exploring the equity and efficiency issues relating to this.

Laying stronger foundations for subsequent Reviews via:

- (d) setting higher standards of reporting on performance at scheme level as a precursor to raising the expectations placed on schools to cope with more challenging data requirements as part of the following Review.

Address the long-term viability of the schools via;

- (e) offering more financial stability through a 'block grant system';
- (f) bringing the Awards more into line with the real costs of provision;
- (g) discouraging 'over-trading' by introducing a 'full economic costs' (FEC) principle as a basis for setting the values of awards;
- (h) and, therefore, ensuring that, as far as possible, all indirect costs, including estates and other capital costs, are fully factored into the operation of the scheme.

Without the last of these initiatives, rough attempts to manipulate such factors as the number of schools supported, the values of awards, the proportion of award-holders among the student body, etc. will not be rooted in the financial reality of the sector.

5. Future Approaches to Monitoring and Evaluation

- (a) The case for intervention in this particular training market is a very strong one. However, that does not mean that any intervention will be worth the investment and it is important that the government departments and public agencies involved in the development and delivery of policy keep an

appropriate distance from the interests of the performing arts schools, agents and employers.

- (b) Most of all, they should avoid engaging in advocacy ahead of analysis and any tendency to cut corners to defend the sector will probably be counter-productive in spending review terms.
- (c) The role of sectoral bodies in gathering routine monitoring statistics needs to be more carefully thought out. Support for such activities should be subject to high levels of quality control and clarity of roles. The present position seems to be an unsatisfactory blend of (i) trying to buttress the viability of these bodies because the sector's health undoubtedly depends on there being strong representative and accreditation organisations, (ii) seeking to harness their credibility and powers of persuasion with their constituent schools so as to ensure higher levels of response to statistical enquiries, and (iii) making up for lack of strong contract management in circumstances where public money is funding training in most of those schools (and some others are hoping to be included in the Scheme) and yet compliance with requests for some statistical returns or co-operation with evaluators appointed by the DfES is not ensured.
- (d) Support for sectoral bodies would be justified in terms of strengthening the sector's performance; for example, by encouraging peer group exchanges of good practice and offering certain supporting services in cost-effective ways to relatively small organisations lacking economies of scale. The alternative is to ensure adequate allowance for administrative costs associate with the D&DA scheme or incentives to contract-out to suitable service providers, which would involve paying more attention to what is or might be the sector's 'supply chain'.
- (e) The marginal role played hitherto by the DfES Analytical Services division (or the equivalent function within the LSC) in the monitoring and evaluation of the D&DA scheme should be reconsidered with a view to introducing a much more rigorous framework with which those responsible for policy development and delivery should then operate.
- (f) The fragmentation of monitoring and evaluation among the different institutions funding or regulating performing arts education and training should be replaced by active collaboration between HEFCE and the LSC, co-ordinated by DfES;
- (g) The fragmentation of the different elements of performance assessment of the schools should end and a more holistic approach adopted that encourages and facilitates communication between financial consultants, social science evaluators, the Department's own corresponding professionals and those in its agencies.
- (h) This would involve putting together existing evidence from financial auditing, value-for-money assessments based on investigation of costs of provision, overall examination of the schools' financial sustainability (taking into account non-D&DA student numbers, fees and awards), through monitoring entry, completion rates, and attainment, to quality assurance and tracking of labour market destinations.

- (i) Whilst the above may seem unduly technocratic, indeed purist, the compartmentalisation of evidence gathering and analysis which has characterised the D&DA scheme (this is not say that it is alone in this respect) is undesirable, as is its control largely by those responsible for policy, who may or may not have the time to keep up with what is happening on the various audit, monitoring and evaluation fronts but are not, in any case as well-positioned to do so as their colleagues in Analytical Services or their equivalent.

6. Key Areas of Further Research Needs

The following areas for further research are suggested in the light of an economic perspective on the D&DA scheme. This is not to say that these are more important than those that might be emerge from work concerned, for example, with learning, careers advice, artistic practice, under-representation, etc.

- (a) Continuing to survey graduate destinations in both the short and longer terms for specific cohorts is essential. The methodology for doing so needs to be refined further and contractual terms need to be negotiated so as to gain the maximum effort from schools to support this aim.
- (b) Attempts to make do with rough and ready substitutes whose only virtue is that they are simple to administer will undermine the need for a serious attempt to build up insight into the professional lives taken up by D&DA graduates and their peers and will leave the Scheme open to threat on the grounds that sufficient attempts have still not been made to track destinations compared with those made in the HE sector via the usual annual HESA returns and various longitudinal studies.¹
- (c) However, targeted qualitative research needs to be maintained alongside the surveys, without which a great deal of understanding that can be applied to interpreting the quantitative findings and improving the surveys is lost.
- (d) The surveying of employers and agents needs to be put on a much stronger footing, allowing for the experience of both the National Employers' Skills Survey and a variant of it applied to the surveying of visual artists and their employers.²
- (e) Further work following up, for example, the PWC financial analysis and relating it to other evidence as indicated in item (h) in section 5 above. Fundamentally, however, the ground needs to be laid for the introduction of full economic costing for the sector as advocated in section 4.

¹ A major new longitudinal survey of HE graduates is currently being piloted by the Warwick Institute for Employment Research, funded by HECSU.

² A project funded by Arts Council England – see Galloway, Lindley and Behle (2006).

References

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