

Public value, politics and public management

A literature review

Ricardo Blaug
Louise Horner
Rohit Lekhi



Contents

Aims of The Work Foundation project	4
Executive summary	6
1. Conceptions of politics and public management	10
1.1 Explanatory approaches	10
1.2 Conflicting imperatives?	13
1.3 Bureaucracy and democracy	14
1.4 Respective processes of accountability	17
1.5 The shift to political management	18
2. Authorising public value	20
2.1 Constructors of public value	20
2.2 Conceptions of public value	21
2.3 Processes of democratic legitimation	27
2.4 Methods of consultation and feedback	28
2.5 Processes of democratic accountability	33
2.6 The political calculus of public value	39
2.7 Political involvement in Best Value	39
3. Creating public value	42
3.1 Justifying resource allocation	42
3.2 Public value as a strategic goal	44
3.3 Public value as a management tool	47
3.4 Managing citizen expectations	50
4. Measuring public value	51
4.1 Why and what to measure	51
4.2 Clarifying intentions	53
4.3 Measurement that destroys public value	53
4.4 Measurement that creates public value	56
4.5 Public accountability	57
Conclusion	59
Bibliography	62

List of Boxes, Tables and Figures

Box 1: Consultation methods	32
Box 2: Accountability and good governance	38
Box 3: Intervening to create public value – an example from the Netherlands	44
Box 4: The sources of public service innovation in the USA	49
Box 5: Ways of measuring service performance	52
Box 6: CPA – a lighter touch?	55
Box 7: Examples of public involvement in the evaluation of public services	57
Box 8: Measuring the performance of public sector broadcasting	58
Table 1: Comparing perspectives – old public administration, new public management and new public service	12
Table 2: Models of governance	13
Table 3: Public value in traditional public administration, new public management and public value management	23
Table 4: Reasons for policymakers to seek citizen participation	29
Table 5: Participatory methods used by local authorities in England	30
Figure 1: The interaction between politicians and public managers	15
Figure 2: Moore’s public value scorecard	46

Aims of The Work Foundation project

Building on existing academic and policy work around public value, The Work Foundation's project aims to help policymakers, public managers and institutions understand the concept of public value and see how it can be applied in practice.

Public value addresses many of the contemporary concerns facing public managers. These include problems of securing legitimacy for decision making, resource allocation and measuring service outcomes. This research project draws together different strands of the current debate around public value, clarifies its elements and seeks to further understanding of this topical and important conceptual innovation in public service delivery.

The project's objectives are to:

- provide a clear definition of public value
- provide public managers with a set of guiding principles that orient institutions to the creation of public value
- use sector and case studies to illustrate how organisations might understand where gaps occur in achieving public value
- clarify the components and processes of public value in order to facilitate its future capture and measurement.

Sponsors

The project is sponsored by the following organisations:

- BBC
- The Capita Group plc
- Department for Culture, Media and Sport
- Home Office
- London Borough of Lewisham
- Metropolitan Police
- OfCOM
- Quality and Improvement Agency (formerly the Learning and Skills Development Agency)
- Royal Opera House.
- The NHS Institute for Innovation and Improvement (formerly the NHS Modernisation Agency)

About this paper

This paper is one of several background reports being prepared for the public value sponsor group. The research outputs include:

- *Public Value, Citizen Expectations and User Commitment: A literature review*
- *Public Value and Local Communities: A literature review*
- Sector papers, seminars and presentations on how public value applies to different sectors like local government, policing, skills, broadcasting, arts and culture, and health

Public value, politics and public management

- Case studies examining how public value applies to different institutions, ranging from Lancashire Constabulary to the V&A Museum, and as a way of understanding particular local policy issues, such as recycling in Lewisham
- Papers on measurement exploring how social scientists have operationalised the concept of public value and applied it in a variety of diverse settings. These also examine how public managers are currently measuring public value, the gaps in information, difficulties around decision making, and how a public value framework can resolve these issues.

Please note that the views expressed in this report represent those of the authors and may not necessarily represent those of the project's sponsors.

Executive summary

- This paper summarises the findings of the literature review on politics and public management and sets out the theoretical background that underpins the concept of public value. It explores its potential as a theory of public management, which aims to guide the actions of public managers delivering services to the public funded through taxation.

Section 1: Public value – a theory of public management?

- Theories of public management attempt to grapple with the fundamental tension between democracy and bureaucracy. These depend on different perceptions of the role of politicians and public servants, their respective influence on governance structures, the extent of administrative discretion and concepts of the public interest.
- There are three main theories:
 - **Principal-agent:** This argues that politicians make policy that public managers implement.
 - **New public management (NPM):** This approach has characterised much public policymaking in the UK in recent years and has aggressively pushed forward technical efficiency as the goal of public bodies at the expense of democratic processes and social values. This has often resulted in the loss of organisational responsiveness and legitimacy. NPM encourages public managers to pursue targets rather than to orient them towards the changing nature of political legitimacy, or to seek public authorisation for activities or initiatives.
 - **Public value:** Welling from new public service theory, public value argues for a renewed emphasis on the important role public managers can play in maintaining an organisation's legitimacy in the eyes of the public. Far from advocating a return to inefficient public services, public value embraces notions of valued public services and efficiency. It calls for more rounded accountability whereby organisations face their citizens as well as their political masters, rather than static, top-down models that focus public managers on meeting centrally driven targets and performance management. In this way, it attempts to recast the tension between bureaucracy and democracy.
- This report points to the weakness of the citizen's voice in most public policy decisions in recent years, with citizens only having an opportunity to express their preferences via the ballot box intermittently. But public value does not argue for increased participation by the public in decision making for its own sake. Public value as an approach requires us to take seriously the capacity of public managers at all levels to engage with citizens. Expert in administrative structures and often more sensitive to local conditions, public managers are, therefore, being increasingly drawn into what is most accurately described as a political role.

- Public value thus turns on public authorisation for an organisation's activities. If organisations are to create public value in their practices and use evaluative standards to measure their performance, then those values and evaluative standards must be authorised by the public. This report therefore puts forward the idea of public value as a dynamic process between authorisation, creation and measurement.

Section 2: Authorisation

- Authorisation for what is provided by the public sector, ie what is publicly valuable, results from what is seen as valuable by elected politicians, senior public managers, the media, social scientists and public intellectuals. The question posed by our public value approach is whether the views of those who receive services and those who deliver them are adequately taken into account in the construction and conception of public value. Understanding citizens' preferences is key here. Failure to engage with the public about what they want and need may result in services not providing public value, but a value determined and recognised solely by politicians, public managers or even private organisations delivering on behalf of government.
- Discerning public preferences is notoriously difficult and there are dangers in relying on what an uninformed public states about what it wants provided. There is a clear role for both managers and politicians in shaping those preferences and taking tough decisions about what the public needs, even if the public does not state any preference for this. The example of the MMR vaccine is a good example of justified policy resistance on the basis of medical evidence to calls for the vaccine to be replaced.
- The provision of better information, and therefore transparency, about the decisions taken by public bodies on behalf of the public are therefore as essential as innovative ways to engage, consult and deliberate with the public. The report finds a great deal of evidence of processes by which citizens are engaged, such as citizens' juries, particularly in local government. It also finds that the government's interest in these more participatory approaches is waning, in part due to the difficulties in making them meaningful. The public value approach would seek to overcome this by adding such participatory methods to established accountability processes and making accountability a democratic process in itself.

Section 3: Creation

- Public value is clarified and authorised by the public, but it is made, increased and created by public service organisations through their decisions about what services to provide. It is for these organisations that politicians and public managers must justify the allocation of resources and develop management practices that are consistent with the generation of public value.

- In relation to the allocation of resources, public value emphasises the importance of understanding the values or qualities of public services, for example fairness, when public organisations consider what to do and whom services should target. The BBC is using a public value framework to help decide which new services will best support one of five core values they have identified as key to the organisation's strategic mission as a public broadcaster. Their framework also highlights the potential use of public value as a strategic goal of being a public service broadcaster. The BBC's approach embraces individuals as both consumers of their services who derive personal enjoyment and education, and as citizens who value the cultural, democratic or educational benefits of BBC services to society as a whole.

Section 4: Measurement

- If public value is to be an effective driver of public service reform, then it requires a measurement framework that enables public managers to recognise when and the extent to which such value is being created. It is assumed that public services should be underpinned by performance measures that enable evaluations of effectiveness and guide improvement.
- What is unique about the public value approach is that it does not cast existing performance management frameworks into the dustbin, but suggests instead that the act of measurement can either fail to capture adequately what value is created or lead to the destruction of public value. The report finds evidence of both cases. For example, performance measurement that focuses on what is common between public bodies and then ranks them according to how well they achieve these common standards, such as Comprehensive Performance Assessment in local government, fails to capture what is different between local authorities. Public managers may also meet targets by whatever means to the detriment of social outcomes; for example, the case of an eye hospital meeting targets for outpatient waiting times by cancelling follow-up appointments led the hospital's clinical director to estimate that 25 patients had lost their vision as a consequence of the delays in follow-up appointments.
- Alternative approaches to the use of performance management and measurement are thus required if they are to demonstrate public value and help create value in and of themselves. The report argues that such regimes should reflect better how an organisation is meeting national standards, but also that organisations be given the freedom to set their own targets that reflect their unique circumstances. Furthermore, both of these sets of measures should be publicly authorised – that is, agreed and pursued with the public.

Conclusion

- The report concludes that there is a need to re-conceptualise the goal for public managers and institutions aiming to produce public value as one that seeks to improve 'institutional responsiveness to the refined preferences of the public'. This is about the capacity of a public body to listen to and engage with the public and shape and inform the public's preferences, rather than just give the public what it wants at a particular point in time.

1. Conceptions of politics and public management

1.1 Explanatory approaches

The interaction between elected politicians and senior public managers has been extensively studied, and now offers a variety of explanatory approaches. It is useful to place these approaches on a spectrum, one that ranges from those that stress a fairly straightforward relationship of top-down influence between politician and public manager to those suggesting a much greater degree of reciprocity and complexity in this relationship.

We identified in the literature three broad and indicative approaches to the interaction between politicians and senior public managers. The first, that of 'principal-agent' theory, regards governance structures as simultaneously enabling and constraining the actions of public managers.¹ Politicians create static and bureaucratic governance structures in a top-down fashion and hold managers accountable for mandated results. Politicians, as principals and primary drivers of change, ultimately control public managers as agents through constitutional powers such as oversight, appointment, budgeting and legislation. Democracy here takes the form of governance structures that ensure public managers' actions reflect the mandates of elected officials.

The second approach, that of new public management (NPM), draws heavily on public choice theory and assumes the need for a more entrepreneurial approach to governance. Here, public sector organisations are encouraged to emulate the responsiveness of their private sector counterparts.² This approach thus highlights the need for efficient and effective performance, although this can also encompass concerns for equity, responsiveness and accountability.³ Governance structures are the product of ongoing competition and compromise and the public interest is more than an aggregation of individual self-interests.⁴ It is thus a mistake to suggest, as do traditional approaches to public administration, that public management is mandated in any simple way by elected officials. Rather, senior public managers are best understood as being constrained, vetoed or supported by elected officials through a complex process of negotiation. However, this gain in complexity also has its costs. While market-like flexibility may be a desirable end in itself, it can often come into conflict with popular preferences

¹ See for example McCubbins M and Schwartz T, 'Congressional Oversight Overlooked: Police patrols versus fire alarms', *American Journal of Political Science*, Vol 28 No 1, pp165-179, 1984; Feldman M and Khademian A, 'To Manage is to Govern', *Public Administration Review*, Vol 62 No 5, pp 541-554, 2002

² See for example Osborne D and Gaebler T, *Reinventing Government: How the entrepreneurial spirit is transforming the public sector*, Wokingham, Addison-Wesley, 1992; Denhardt R B and Denhardt J V, 'The New Public Service: Serving rather than steering', *Public Administration Review*, Vol 60 No 6, pp549-559, 2000

³ Kettl D and Milward B (eds), *The State of Public Management*, Baltimore, MD, Johns Hopkins University Press, 1996

⁴ See Knott J and Miller G, *Reforming Bureaucracy: The politics of institutional choice*, New York, Prentice Hall, 1987; Moe R, 'The Emerging Federal Quasi Government: Issues of management and accountability', *Public Administration Review*, Vol 61 No 3, pp290-312, 2001

about the provision of services. Here, then, NPM has struggled with the rapidly changing demands for accountability in a modern liberal democracy.⁵

A third approach to analysing the interaction between politicians and senior public managers is that of new public service theory.⁶ Drawing on theories of democratic citizenship, community and civil society, this focuses on a governance system with citizens at the centre. The role of public managers is to help build a collective, shared notion of the public interest, not merely to aggregate individual preferences. Policies and programmes that effectively meet public needs are achieved through collective and collaborative processes that emphasise the importance of citizens over customers and people over productivity. In this view, accountability requires that public managers attend to a much wider set of demands than those of the market. They must also respond to 'statutory and constitutional law, community values, political norms, professional standards and citizen interests'.⁷

These very different perspectives emerge as a result of deep-seated philosophical differences. As suggested in Table 1 on the next page, they are premised (often unwittingly) on divergent views of rationality and human behaviour. On this theoretical basis, each then constructs its own notion of the public interest, assigns a role for government and another for public servants.

Of the approaches presented here, that of new public service theory would appear to offer the most appropriate framework in which to advance the idea of public value. However, rapid changes in the authorisation environments of modern democracy suggest that a still-more dynamic understanding of the interaction between politicians and senior public managers is required. Neither can we assume that the nature of such a dynamic interaction is the same across an increasingly heterogeneous public sector.

In the relationships interaction/dynamics model, public managers are themselves seen as an important source of governance structures (see Table 2 on page 13).⁸ They achieve this through the networks and relationships they create and support. Feldman and Khademian use the example of the US Security and Exchange Commission to show that managers not only receive, but also exert, influence over politicians.⁹ They do so by managing their professional relationships so as to achieve desired policy outcomes. Here, the relationship between politicians and

⁵ See Feldman M and Khademian A, 'To Manage is to Govern', *Public Administration Review*, Vol 62 No 5, pp541-554, 2002; Peters G and Savoie D, 'Managing Incoherence: The coordination and empowerment conundrum', *Public Administration Review*, Vol 56 No 3, pp281-289, 1996

⁶ Denhardt R B and Denhardt J V, 'The New Public Service: Serving rather than steering', *Public Administration Review*, Vol 60 No 6, pp549-559, 2000

⁷ Ibid

⁸ See Feldman M and Khademian A, 'To Manage is to Govern', *Public Administration Review*, Vol 62 No 5, pp 541-554, 2002; Selden S C, Brewer G and Brudney J, 'The Role of City Managers: Are they principals, agents or both?', *American Review of Public Administration*, Vol 29 No 2, pp124-148, 1999

⁹ Feldman M and Khademian A, Ibid

public managers is conceived of as one of reciprocal influence and offers a marked contrast to traditional approaches (such as principal-agent theory), which suggest that this relationship is static and top-down.

Table 1: Comparing perspectives – old public administration, new public management and new public service

	'Old' public administration	New public management	New public service
Primary theoretical and epistemological foundations	Political theory, social and political commentary augmented by naive social science	Economic theory, more sophisticated dialogue based on positivist social science	Democratic theory, varied approaches to knowledge including positive, interpretive, critical and postmodern
Prevailing rationality and models of human behaviour	Synoptic rationality, 'administrative man'	Technical and economic rationality, 'economic man' or the self-interested decision maker	Strategic rationality, multiple tests of rationality (political, economic, organisational)
Conception of the public interest	Politically defined and expressed in law	Represents the aggregation of individual interests	Result of a dialogue about shared values
To whom are public servants responsive?	Clients and constituents	Customers	Citizens
Role of government	Rowing (designing and implementing politics focusing on a single, politically defined objective)	Steering (acting as a catalyst to unleash market forces)	Serving (negotiating and brokering interests among citizens and community groups, creating shared values)
Mechanisms for achieving policy objectives	Administering programmes through existing government agencies	Create mechanisms and incentive structures to meet policy objectives through private and non-profit agencies	Building coalitions of public, non-profit and private agencies to meet mutually agreed needs
Approach to accountability	Hierarchical – administrators are responsible to democratically elected political leaders	Market-driven – the accumulation of self-interest will result in outcomes desired by broad groups of citizens (or customers)	Multi-faceted – public servants must attend to law, community values, political norms, professional standards and citizen interests
Administrative discretion	Administrative officials allowed limited discretion	Wide latitude to meeting entrepreneurial goals	Discretion needed, but constrained and accountable
Assumed organisational structure	Bureaucratic organisations marked by top-down authority in agencies and control or regulation of clients	Decentralised public organisations with primary control remaining with the agency	Collaborative structures with leadership shared internally and externally
Motivational basis of public servants and administrators	Pay and benefits, civil-service protection	Entrepreneurial spirit, ideological desire to reduce size of government	Public service, desire to contribute to society

Source: Denhardt and Denhardt, 2000

Table 2: Models of governance

Governance structures	Static	Dynamic
Sources of influence on governance structures	Single – politicians create governance structures	Multiple – governance structures created through interactions of people in many different roles
Direction of influence on governance structures and public management actions	Linear, hierarchical, top-down – politicians constrain the actions of public managers through governance structures	Reciprocal – public managers influence the structure of relationships that constitute governance structures, and constrain and enable their actions
Potential for change in governance structures	Relatively static – change comes through the direct action of principals	Relatively dynamic – opportunities for different actions are created in each interaction
What governance structures create accountability for	Results – how well public managers achieve results is mandated by politicians	Results and democratic process – do policy results have public value? Do decision making and implementation efforts build democratic capacity?
How is democracy achieved?	Through politicians as responsive to electorate and in control of public manager activities	By making visible and continuously evaluating the appropriateness of the nature and quality of the relationships through which policy is enacted

Source: adapted from Feldman and Khademian, 2002

Each of the above approaches highlights different elements in the interaction between politicians and public managers. These range from top-down initiatives, where politicians set the ‘ends’ and public managers merely implement them, to complex networks of reciprocal negotiations. Taken together, they exhibit a discernable increase in the attention paid to contemporary changes, not only in the relationship between politicians and public managers, but also in the relationships of each to the citizenry at large. In regard to the former, research tends to examine the different imperatives to which politicians and public managers are subject. As we shall see, these often conflicting imperatives recall the age-old tension between democracy and bureaucracy and draw the attention of researchers towards their respective forms of accountability. Finally, we will consider work on the nature of leadership in a rapidly evolving and increasingly democratic authorisation environment for public policy.

1.2 Conflicting imperatives?

As we have seen, in traditional approaches to public administration the interaction between politicians and public managers was conceived of in terms of a simple opposition, one that occurred because their respective roles meant they were subject to different imperatives. This notion of separation – here between politics and administration – dates back at least to Weber’s account of bureaucracy and perhaps also to Woodrow Wilson’s conceptual separation of these two spheres.¹⁰

¹⁰ Svava J H, ‘Complementarity of Politics and Administration as a Legitimate Alternative to the Dichotomy Model’, *Administration and Society*, Vol 30 No 6, 1999

Miller describes this separation as a 'useful myth' because it obscures the influence of administrators and prevents politicians implementing policies that merely channel benefits toward themselves.¹¹

More recent approaches to this relationship have advanced the notion of 'complementarity'. Thus, Mountjoy and Watson acknowledge the tensions between the aims of politicians who are elected, and public managers seeking to retain professional integrity and to serve the public. What mitigates this tension and allows for collaboration, they suggest, is reciprocal restraint. Thus:

'...while elected officials could dominate administrative practice...they are constrained by a respect for administrative competence and commitment. [Similarly]...administrators could use their considerable resources to become self-directed, but they are restrained by a commitment to accountability in the complementary relationship. Attention to the constraining effect of reciprocating values produces an array of models for describing [the] political-administrative relationship.'¹²

Peters and Pierre provide additional analytic detail on the various types of relationships that constitute the interaction between politics and public management.¹³ Placing them on a continuum, they see one end as a formal and Weberian separation of functions between the two sets of actors (see Figure 1 overleaf). At this extreme, politicians are firmly in charge and bureaucrats act in a confined and pre-determined solution space. At the other pole is 'bureaucratic government', in which administrative know-how and command of technical information always trumps that of politicians. Once again, Peters and Pierre note real conflicts between political and administrative officials. They describe a strongly politicised relationship in which politicians and bureaucrats are, in essence, vying for control over public policy.

1.3 Bureaucracy and democracy

Governance thus faces again the age-old question of how we are to reconcile the imperatives of bureaucracy and democracy. In static and dichotomous approaches, politicians were seen as making policy on behalf of their constituents, while public managers merely implemented pre-given goals. Against this, more dynamic approaches view public managers as democratic facilitators, and as engaged in mending democratic processes that appear broken and unable to articulate and produce essential public policy.¹⁴

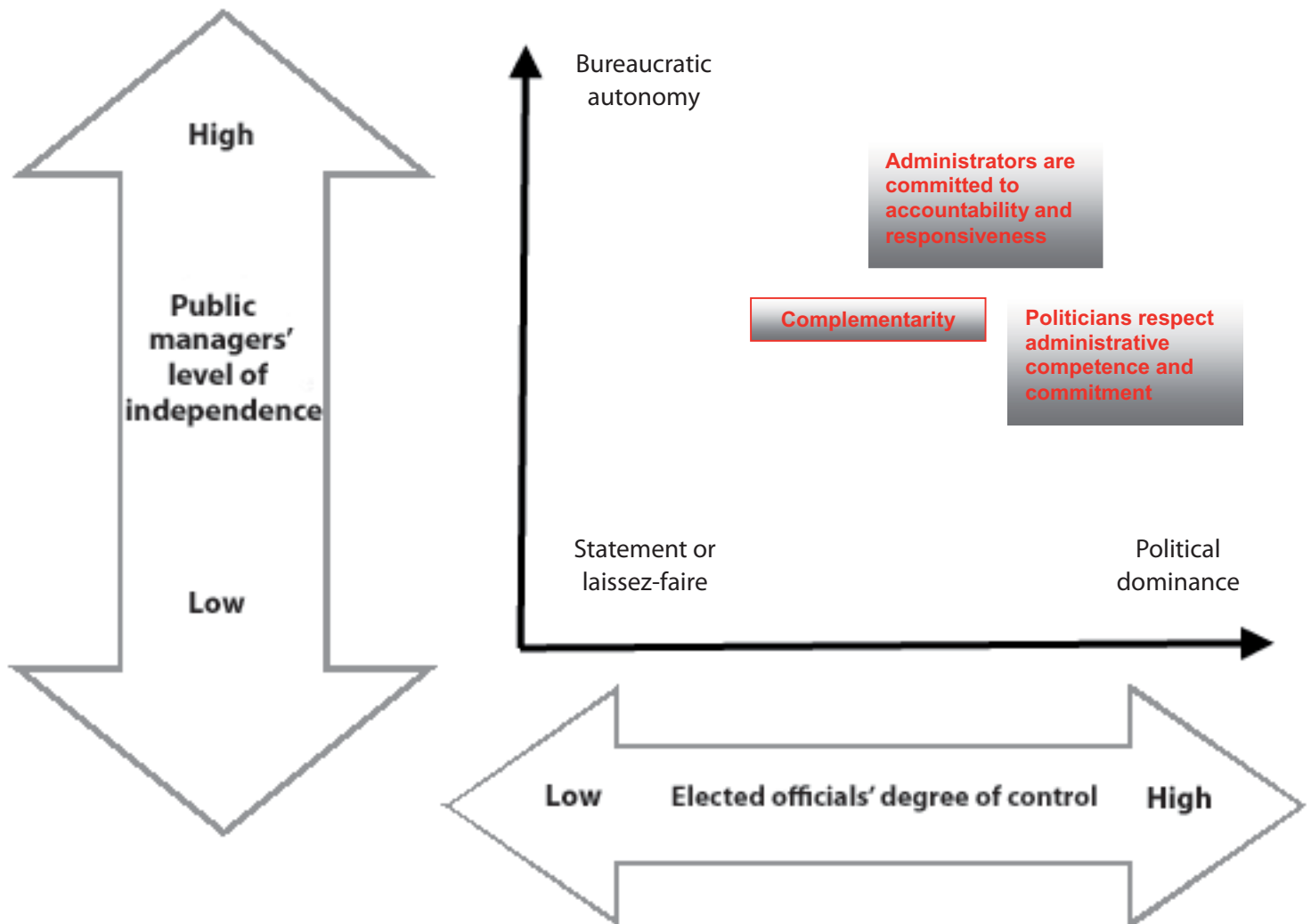
¹¹ Miller G, 'Above Politics: Credible commitment and efficiency in the design of public agencies', *Journal of Public Administration Research and Theory*, Vol 10 No 2, pp289-327, 2000

¹² Mountjoy R S and Watson D J, 'A Case for Reinterpreted Dichotomy of Politics and Administration as a Professional Standard in Council-Manager Government', *Public Administration Review*, Vol 55 No 3, pp231-239, 1995

¹³ Peters G and Pierre J (eds), *Politicians, Bureaucrats and Administrative Reform*, London, Routledge, 2001

¹⁴ Stoker G, 'Public Value Management (PVM): A new resolution of the democracy/efficiency tradeoff', unpublished paper, Institute for Political and Economic Governance (IPEG), University of Manchester, 2003

Figure 1: The interaction between politicians and public managers



Source: Adapted from Peters and Pierre, 2001

In traditional approaches to public administration, democracy gave the goals and bureaucracy delivered the technical efficiency required for their implementation. However, in NPM the democratic system was carefully limited to providing only a very broad direction for policy. Politicians were expected to allocate resources efficiently and assess performance. Thereafter, they were to refrain from hampering the technical and organisational activities of public managers. NPM thus sought managers who were entrepreneurial, empowered and directive. In addition, a central aspect of their activity was to seek out, clarify and assist in the expression of customer needs.

When policy emerges from a highly complex interaction and negotiation between politicians and public managers, it is the result of a series of trade-offs. These often take the form of trade-offs between democratic values and the imperatives of practice. NPM has been heavily criticised for its tendency to play down the former, to reduce the scope of the political sphere and thereby to allow the trade-off between democracy and bureaucracy to tip fatally towards the latter. This has often resulted in the loss of organisational responsiveness and legitimacy. NPM thus has a tendency to send public managers off to pursue their own targets, rather than to orient them towards the changing nature of political legitimacy. Politicians then confront a policy environment that is far harder for them to control.¹⁵ Here, citizens are also reduced to mere consumers of services and inadequately consulted about policy objectives. These dangers arise directly from the NPM conception of the trade-off between democracy and bureaucracy, which claims technical efficiency as the ultimate organisational goal.

Public value stands astride the fault that runs between politicians and public managers. It offers a new perspective on the trade-off between democracy and bureaucracy. Yet the importance it attaches to authorisation, democracy and dialogue cannot negotiate away this trade-off by simply dismissing efficiency. The public value approach must somehow locate and express public notions of value, and be viable and effective. An orientation to public value recognises both the need for efficiency and for democracy.

While locating and expressing public notions of value is no easy task, doing so when the very nature of accountability is changing is more difficult still. Stoker argues that there is now a 'lack of clarity' about where responsibility lies and consequently 'a major accountability deficit'.¹⁶ He points out that this development now runs alongside claims that civil society is itself in decline and that the cultural resources to build bottom-up networks of governance may no longer be available.¹⁷ In this scenario: 'It would appear that there is a structural limitation in governance by networks from a democratic viewpoint.'¹⁸ In the current authorisation environment, as Rhodes suggests, we must replace 'private government' with 'public accountability' and we must do so throughout 'the interstices of the webs of institutions which make up governance.'¹⁹

¹⁵ Kettl D F, *Sharing Power: Public governance and private markets*, Washington DC, The Brookings Institution, 1993

¹⁶ Stoker G, 'Public Value Management (PVM): A new resolution of the democracy/efficiency tradeoff', unpublished paper, Institute for Political and Economic Governance (IPEG), University of Manchester, 2003

¹⁷ Putnam R D, *Bowling Alone: The collapse and revival of American community*, New York, Simon & Schuster, 2000

¹⁸ Stoker G, 'Public Value Management (PVM): A new resolution of the democracy/efficiency tradeoff', unpublished paper, Institute for Political and Economic Governance (IPEG), University of Manchester, 2003

¹⁹ Rhodes R, 'Governance and Public Administration' in Pierre J (ed), *Debating Governance*, Oxford, Oxford University Press, 2000

1.4 Respective processes of accountability

The public value approach raises questions for traditional assumptions about public administration and accountability.²⁰ Public value encourages managers to conceive of goals that 'go beyond organisational survival' and the mere meeting of targets. One such goal is the need to maintain legitimacy in the organisation's authorisation environment. Without legitimacy an organisation is unable to command resources, commitment or co-operation.

Kelly et al are concerned that static forms of accountability that lock public organisations into fulfilling carefully-specified functions can result in a debilitating loss of responsiveness to their authorisation environment and a corresponding loss of legitimacy.²¹ At the same time, it is clear to them that politicians are unable to stipulate how a local agency can best provide a service, let alone how that service can increase user satisfaction, achieve legitimacy and ensure effective outcomes. However: '[This] does not mean that in every instance public value should be equated with greater managerial discretion and looser accountability.'²² Indeed, they suggest it is often beneficial to require that service providers adhere to some kind of 'service template' to ensure the reliability and efficiency of that service. They see this kind of approach working well in the disbursement of housing benefit and in the use of clinical protocols in the NHS. Here, public value is created by 'ensuring that all service providers adhere to recognised best practice.'²³

For Kelly et al, best practice involves the use of structures of accountability that are 'shaped' to support the creation of public value. This is precisely not what happens with static, function-based and performance-related accountability. The excessive use of inspections, auditing and efficiency measures are here seen as detrimental to the creation of public value. As they suggest: '[A] more rounded accountability that faces outwards towards users and citizens, as much as upwards towards departments and inspectorates, is likely to work better.'²⁴ They then identify five key relationships to which this 'more rounded' accountability will need to attend. These include relationships with democratically elected leaders, with taxpayers, with service users, staff and management colleagues. Importantly, they do not accord primacy to the upward-facing accountability relationship that senior managers have with politicians. Indeed: 'In any clash between political accountability and adherence to the law, the latter will always take precedence and some countries have legislation on policies in the public service which deal with this.'²⁵

²⁰ Kelly G, Mulgan G and Muers S, *Creating Public Value: An analytical framework for public service reform*, London, Prime Minister's Strategy Unit, Cabinet Office, 2002

²¹ Ibid

²² Ibid

²³ Ibid

²⁴ Ibid

²⁵ Ibid

This last point again highlights the increasing heterogeneity of the public sector, and the very different accountability requirements and statutory responsibilities to which different actors are subject. Structures of accountability must not only be 'shaped' to support the creation of public value, but also take into account the great variety of public service roles (social care, enforcement, regulation etc) as well as its different levels of management.

1.5 The shift to political management

Historically, social democracy has not left much room for citizen voice and has been capable of only a very weak relationship between civil society (the public) and the state. Popular participation in government was limited to voting in elections and to involvement in political parties. Citizens could influence policy only by selecting the political actor that best represented their political views. With 'politics' restricted to the institutions of state, and democracy to the periodic selection of autonomous representatives²⁶, public managers were expected to somehow achieve what politicians had not: an understanding of constantly evolving public preferences.

Corrigan and Joyce argue that a weak interaction between state and civil society results in the public not conceiving of public services as their own.²⁷ It is this that explains why, when subjected to severe budgetary cuts, the public was so quick to accept the alleged inefficiency of public services. Again, when services were portrayed in the media as being 'out of touch', most 'agreed wholeheartedly'.²⁸ This loss of ownership arose from the inability to engage the public. The proffered solution, however, failed to address the democratic deficit. Instead, new forms of public management emerged around the interaction between marketisation and managerialism. This could be seen as the result of, at least in the UK, a twin-track state strategy of replacing the public sector where possible, and reforming what could not be replaced.²⁹ The weakening relationship between state and civil society has thus been accompanied by changing conceptions of the public sector; by the arrival of private providers of public services and by concern over the responsiveness of centralised and target-driven reform.

Even in 1993, Pollitt rejected the strategy of replacement by private providers and sought instead to 'deliberately extend the range of actors involved in the running of public services'.³⁰ This, he argued, would significantly change the authorisation environment in which the interaction between politicians and public managers takes place. Indeed, it would force politicians to 'reckon with a new, informed and highly legitimate source of opinion on "what should be done..."' This would not,

²⁶ Schumpeter, 1965

²⁷ Corrigan P and Joyce P, 'Reconstructing Public Management: A new responsibility for the public and a case study of local government', *International Journal of Public Sector Management*, Vol 10 No 6, pp417-432, 1997

²⁸ Ibid

²⁹ Ibid

³⁰ Pollitt C, *Managerialism and the Public Services*, Oxford, Blackwell, 1993

Public value, politics and public management

Pollitt pointed out, be the 'consumerism of the New Right, but the active participation of users and taxpayers in the running of everyday services – a real cultural shift.'³¹

Public value requires that we bring the public back in. Citizens should participate directly in a vibrant representative democracy. Management that creates public value facilitates such participation and acts as a 'community enabler'. It devolves powers and emphasises the 'representative' role of elected members. In this way it gains 'strength from the active involvement of the community' instead of being 'based on the fact of election alone.'³²

Certainly, any serious increase in participation by the public would quickly generate new pressures on both politicians and public managers. Yet Corrigan and Joyce suggest that a 'period of conflict might be regarded as functional', particularly in cases where 'elected representatives [are] purely advocates of the bureaucracy'.³³

Increased participation turns on citizens having the time and energy to put into the political system. As Corrigan and Joyce remark: 'If this is over-optimistic then, as a strategy, it falls at the first fence.'³⁴ Yet the public value approach requires us to take seriously the superior capacity of public managers at all levels to engage with citizens. Expert in administrative structures and often more sensitive to local conditions, public managers are, therefore, being increasingly drawn into what is most accurately described as a political role.

³¹ Ibid

³² Leach S, Stewart J and Walsh K, *The Changing Organisation and Management of Local Government*, Basingstoke, Macmillan, 1994

³³ Corrigan P and Joyce P, 'Reconstructing Public Management: A new responsibility for the public and a case study of local government', *International Journal of Public Sector Management*, Vol 10 No 6, pp417-432, 1997

³⁴ Ibid

2. Authorising public value

In a democracy, the values that guide public organisations are the product of public debate and negotiations between institutions. How we conceive and legitimate public values thus turns on their public authorisation. If organisations are to create public value in their practices and use evaluative standards to measure their performance, then those values and evaluative standards must be authorised by the public. This is no more than to reassert the fundamental dynamic at the heart of the public value approach and the democratic nature of our current authorising environment. This section explores this environment and the processes by which it operates. It begins by reviewing research on the construction and conception of public value, then examines practical methods by which organisations seek democratic authorisation for their activities.

2.1 Constructors of public value

What the public perceives as valuable is notoriously hard to establish. As a way of measuring public preferences by aggregating individual preferences, the electoral system is itself an attempt to address this question. The careful separation of powers, the institutionalisation of conflict and accountability, freedom of the press and the expansion of the franchise are all intended to deliver governments that express the 'will' of the people.

The public value approach requires public organisations to seek out, listen to and guide public conceptions of value. As such, it is profoundly democratic. Yet the practical viability of more democracy, of more public participation in the design, delivery and evaluation of services requires policy actors to imagine a different authorisation environment. In 1680, a certain Lord Sidney was outraged by John Locke's suggestion that the franchise be extended. 'What next?', he scoffed. 'Would you have us poll the whole nation?' Similarly, today we seek new ways for the public to express its will, and to have its values inform and legitimate the goals of public organisations.

Since Lord Sidney's failure of political imagination, public administration has not only accommodated a vastly expanded franchise, but has also (re)discovered society. Whether in the form of social capital, democratic culture, civil society or associational life, we now gaze on a complex and rapidly changing authorisation environment. Yet it is in this heterogeneous environment that public value is constructed.

Social scientific research has shown both the strengths and weaknesses of social capital theory and there is a growing consensus that the concept of 'civil society' offers little more than the opportunity for academics to argue over how it is to be defined. For this reason it is more fruitful to use Jürgen Habermas's notion of the 'public sphere'.³⁵ The public sphere is here seen as something that opens each time

³⁵ Habermas J (translated by Burger T), *The Structural Transformation of the Public Sphere: An inquiry into a category of bourgeois society*, Cambridge, MA, MIT Press, 1981; see also Keane J, *Democracy and Civil Society*, London, Verso, 1988

we engage in the 'public use of reason'. Whenever we argue about political issues, make decisions on committees or debate with our colleagues about what we (collectively) should do, we have opened a public sphere. Habermas argues that liberal democracy once had a free and vibrant public sphere, but that this has now largely been taken over, or 'refeudalised', by large private corporations. Whether such claims are true need not concern us here. However, what does emerge from this work is a view of many overlapping and competing public spheres (including what Nancy Fraser calls 'counter-publics') that 'influence' politics and public management in a variety of ways; some institutionalised, some not.³⁶

Public value is conceived of in a variety of overlapping public spheres. In the larger public sphere of our current liberal democracy, prominent actors in the construction of what is seen as valuable are elected politicians, senior public managers and the media. Less prominent, but still of importance, are social scientists and public intellectuals. The question asked by the public value approach is whether the views of those who receive services and those who deliver them are adequately taken into account in the construction and conception of public value.

2.2 Conceptions of public value

The seminal text on public value to date is Mark Moore's *Creating Public Value*.³⁷ Throughout this review we make reference to the important insights this text provides. However, Moore's focus is on the United States, where government is smaller and where relative expenditure on public services is more limited. Care is needed, then, in importing Moore's conception of public value wholesale into the UK context. In this section we review recent attempts to develop the public value concept that more accurately reflect current debates in the UK.

According to Stoker, interest in public value arises primarily from the critique of NPM.³⁸ Yet it shares with more traditional approaches the idea that the public sector differs from the private. It thus rejects NPM's assumption that democratic governance resembles consumer choice in the market and is sceptical of insights drawn directly from the private sector. Stoker stresses an expansion of the scope of the 'political' as central to the public value approach. Traditional public management, and also NPM, confined politics to the provision of initial input and subsequent evaluation. Any expansion of politics beyond these tasks is then seen as symptomatic of failure. However, for Stoker it is precisely politics, here democratic politics, that drives the process of value creation. This he attributes to the unique ability of democratic politics to cope with diverse opinions in an uncertain world, to appeal to something 'beyond the individualism of the market',

³⁶ Fraser N, 'Rethinking the Public Sphere: A contribution to the critique of actually existing democracy', *Socialist Review*, Vol 4, 1989

³⁷ Moore M, *Creating Public Value: Strategic management in government*, Cambridge, MA, Harvard University Press, 1995

³⁸ Stoker G, 'Public Value Management (PVM): A new resolution of the democracy/efficiency tradeoff', unpublished paper, Institute for Political and Economic Governance (IPEG), University of Manchester, 2003

to value people and to achieve common purposes. As Stoker says: 'Politics can influence the basis for co-operation by changing people's preference and creating an environment in which partnership is possible.'³⁹ Stoker then gives a general statement of public value management in a modern democracy: 'Governance of the public realm,' he states, 'involves networks of deliberation and delivery in pursuit of public value.'⁴⁰ This he unpacks into five guiding propositions:

1. Public interventions are defined by the search for public value.
2. There is a need to give less emphasis to the legitimacy that stems from party input into the process and give more recognition to the legitimacy of a wide range of stakeholders.
3. An open-minded approach to the procurement of services is framed by a commitment to a public service ethos.
4. A flexible repertoire of responses and self-reflexive irony should drive interventions.
5. Accountability relies on a complex and continuous exchange between leadership, and checks and balances to that leadership.

Stoker claims that the search for public value brings a new perspective to the long-standing tension between democracy and efficiency. Whereas traditional and 'new' approaches to public management tend to give excessive weight to efficiency, public value increases the relative weighting of democratic participation and value-laden outcomes that have been publicly authorised.

For the UK context, Kelly et al's paper provides the most detailed conception of public value.⁴¹ Here it is advanced in terms of citizen/state relationships, 'public preferences' and private sector notions of value. Kelly et al engage with Moore's account of public value, examining directly its application to UK public services.

- **Citizen/state relationships:** 'Public value is the value created by government through services, laws, regulation and other actions.'⁴² Following Moore⁴³, they assume that this value is 'ultimately defined by the public themselves'. Citizens' preferences, variously expressed and mediated by elected politicians, are here seen as the final arbiter of public value. Therefore in regard to the relationship between citizen and state, Kelly et al point to 'an implicit – and sometimes explicit – contract, whereby, the legitimacy of government... depends on how well it creates [public] value.'⁴⁴ There is an appeal here to a fundamental lesson to be extracted

³⁹ Ibid

⁴⁰ Ibid

⁴¹ Kelly G, Muers S and Mulgan G, *Creating Public Value: An analytical framework for public service reform*, London, Prime Minister's Strategy Unit, Cabinet Office, 2002

⁴² Ibid

⁴³ Moore M, *Creating Public Value: Strategic management in government*, Cambridge, MA, Harvard University Press, 1995

⁴⁴ Kelly G, Muers S and Mulgan G, *Creating Public Value: An analytical framework for public service reform*, London, Prime Minister's Strategy Unit, Cabinet Office, 2002

Table 3: Public value in traditional public administration, new public management and public value management

	Traditional public administration	New public management	Public value management
Key objectives of the system	Politically provided inputs, services monitored through bureaucratic oversight	Managing inputs and outputs in a way that ensures economy and responsiveness to consumers	The overarching goal is achieving public value, which in turn involves greater effectiveness in tackling the problems that the public most cares about: stretches from service delivery to system maintenance
Definition of public interest	By politicians/experts. Little in the way of public input	Aggregation of individual preferences, captured in practice by senior politicians or managers supported by evidence about customer choice	Individual and public preferences produced through a complex process of interaction that involves deliberative reflection over inputs and opportunity costs
Preferred system for service delivery	Hierarchical department or self-regulating profession	Private sector or tightly defined arm's-length public agency	Menu of alternatives selected pragmatically and a reflexive approach to intervention mechanisms to achieve outputs
Approach to public service ethos	Public sector has monopoly on service ethos and all public bodies have it	Sceptical of public sector ethos (leads to inefficiency and empire building) – favours customer service	No single sector has a monopoly on public service ethos. Maintaining relationships through shared values is seen as essential
Dominant model of accountability	Overhead democracy: voting in elections, mandated party politicians, tasks achieved through control over the bureaucracy	Separation of politics and management; politics to give direction, but not hands-on control, managers to manage, additional loop of consumer assessment built into the system	Elected leaders, managers and key stakeholders involved in search for solutions to community problems and effective delivery mechanisms. System in turn subject to challenge through elections, referendums, deliberative forums, scrutiny functions and shifts in public opinion
Role of managers	To ensure that rules and appropriate procedures are followed	To help define and meet agreed performance targets	To play an active role in steering networks of deliberation and delivery, and maintain the overall capacity of the system

Source: Stoker, 2003

from the last two decades of public management:

‘In addition to well-functioning markets, successful liberal democracies require strong and effective governments able to guarantee fair treatment, equal opportunities, access to a range of key services, and to act as a steward of a country’s interests within and across generations.’⁴⁵

Yet once again notions like fairness and equality cannot in the public value framework be defined by government alone. Politicians and public managers must also ensure that they are implementing conceptions of public value that the public can recognise as such.

⁴⁵ Ibid

- **Public preferences:** Kelly et al are clear that a full knowledge of established preferences is central to the dynamic and interactive establishment of what is to count as public value. However, established preferences alone are insufficient in this. First, they explore the possible time-lag between the emergence of a problem and the public formation of preferences about the solutions to that problem. This is then developed into a more general concern in which established preferences must also be informed. 'Political leaders,' they assert, must 'shape as well as accommodate public preferences.'⁴⁶ Therefore there is much value in 'a leader who creates new preferences and fulfils them, as opposed to simply addressing the preferences that already prevail.'⁴⁷ This is a valuable point and one to which we return in our discussion of preference refinement in the final chapter of this review. However, we should note here Kelly's appeal to 'informed,' 'new' or 'shaped' preferences as the driver of public value, and a willingness to attribute greater importance to public preferences where they can show such qualities.
- **Private sector notions of value:** Finally, Kelly et al seek to clarify public value by comparing it to private sector conceptions of value. In the public sector there is no corollary for returns to shareholders and no device, such as the price mechanism, that can inform dispersed actors. Other values such as fairness and equal access are also more prominent. Nevertheless: 'Public value aims to provide a similar yardstick for assessing performance in the public sector.'⁴⁸ Such a yardstick could then be used to guide management in its attempt to create public value.

Kelly et al summarise their approach by presenting three principle sources of public value. These are: high-quality services, outcomes that reflect public priorities, and trust. Each is inspected in some detail and pays particular attention to the other values that are so forcefully in play in the public sector.

- **Delivering on other values:** Unlike the private sector, citizens value not only the services they receive, but also the services received by others. In their discussion of educational provision, Kelly et al seek to show that fair distribution is a value and as such it is something that can be increased. Improving fairness thus creates value – here, public value. They draw on compelling evidence of support for these values, including the 79 per cent of people who agree with the statement 'public services should be targeted at those with greatest need'. Kelly et al conclude that where fairness is valued by the public: 'Establishing the appropriate terms of access for services/benefits will often be a crucial factor in determining whether or not services are highly valued by the public.'⁴⁹ Here, then, the outcomes of service delivery are to embody not only the requirements of

⁴⁶ Ibid

⁴⁷ Ibid

⁴⁸ Ibid

⁴⁹ Ibid

efficiency and effectiveness, but also evaluative standards emanating from the surrounding authorisation environment.

- **Outcomes:** Kelly et al are careful to distinguish between outcomes and service quality. As they point out: 'There is value in safe streets beyond the quality of police services, benefits to low unemployment over and above quality of service offered by the Employment Service, and gains from having a healthy population over and above those enjoyed by users of a high-quality NHS.'⁵⁰ Increasing government attention to outcomes and a growing capacity to factor in non-economic values have made the stipulation of outcomes an important element in the disbursement of public funds and in attempts to drive up service quality. One example is in the floor targets used to encourage public services to cohere around the reduction of social exclusion. Another is afforded by prison funding that is tied to the outcome of recidivism reduction. Kelly et al acknowledge that 'there are still considerable gaps in our understanding of how to create value through outcomes.'⁵¹ This they attribute to our often limited knowledge of an outcome's cause and our lack of understanding about the effectiveness of the policy levers available to us. Yet they remain adamant that the ongoing dynamic between citizen conceptions of value and government policy is one that can create outcomes that reflect public value. In support, they cite the need for both government action and for changes in social norms if public health is to improve. Here, norms around diet and exercise are as: '...critical to health outcomes as service delivery. Changing these norms can be one of the most powerful tools for a government seeking to create value through outcomes.'⁵²
- **Trust:** Kelly et al's third source of public value is trust, a value they see as being of vital importance in the relationship between citizens and government, and an essential element in the legitimation of government action. Without it, public value can be destroyed, even if formal targets are met. This, they suggest, is what occurred during the 1980s and 1990s when public confidence in democratic institutions suffered so precipitous a decline. Whether attributable to failing institutions or to changing perceptions of the integrity of public officials, Kelly et al do not say. And although they claim that 'these trends now appear to be moving in the opposite direction' they are adamant that 'no public institution should take its legitimacy for granted.'⁵³

2.2.1 The Learning and Skills Development Agency (Quality and Improvement Agency) on public value

In a pamphlet published by the former Learning and Skills Development Agency (LSDA, and now the Quality and Improvement Agency), value-laden outcomes are

⁵⁰ Ibid

⁵¹ Ibid

⁵² Ibid

⁵³ Ibid

seen as notoriously difficult to measure by performance targets.⁵⁴ The pamphlet lists a number of such outcomes, including: social and environmental wellbeing, service usage, educational qualifications, social cohesion, community identity, civic engagement and even a sense of personal wellbeing. These outcomes can be clearly observed and are highly valued in a variety of public services. Thus, for example, community identity can be enhanced by the presence of a local post office, and a sense of wellbeing can result from new opportunities for adult and community education.

The LSDA/QIA paper raises important issues for government initiatives based on target setting. The paper argues that such approaches 'impoverish' the 'true value of public services'. Targets and objectives were intended to improve those services, yet they have often 'made them less responsive to individuals and less adept at delivering what the public really wants'. At the same time, even when targets and objectives are met (as with hospital waiting times and crime levels) the public 'does not appear to see improvement'. Therefore there is a 'perception gap between the facts and public opinion'. This gap is fully examined in The Work Foundation's literature review on *Public Value, Citizen Expectations and User Commitment*, where it is termed the 'delivery paradox' and related to issues of consumer satisfaction and trust in government.⁵⁵

Finally, there is reference here to the growing perception that public sector staff no longer have the same pride, commitment and ethos they once had. This apparent decline is attributed to three possible causes: the narrow management focus on performance indicators, the lack of organisational responsiveness to local conceptions of public value, and the failure to factor in the impacts of service delivery on users and their communities.

2.2.2 The BBC on public value

The BBC's innovative use of public value in its recent charter renewal documentation presents a conception of public value that collects together and features strongly the three principles on which it was founded: universality, fairness and accountability.⁵⁶ Broadcasting oriented to the public good does not fair well in conventional markets. It therefore requires both the justification of other values and constant evidence that those values are informing programming. The BBC's appeal to public value is at once a powerful and persuasive claim to legitimacy and an attempt to clarify its mission. Public value is thus used to justify the receipt of public funds and to give practical guidance to all levels of management on the delivery of publicly valued broadcasting.

⁵⁴ Grigg P and Mager C, *Public Value and Learning and Skills: A stimulus paper*, London, Learning and Skills Development Agency, 2005

⁵⁵ Blaug R, Horner L and Lekhi R, *Public Value, Citizen Expectations and User Commitment*, London, The Work Foundation, 2006

⁵⁶ BBC, *Building Public Value: Renewing the BBC for a digital world*, London, British Broadcasting Corporation, 2004

The BBC's own research and a recent large-scale survey conducted by OfCOM suggest that the public continues to define public service broadcasting as a broad and integrated system of programmes and services. It is thus both a clarification of public conceptions and a popular appeal to claim that the BBC exists to create public value. Certainly, it aims to serve its audiences not just as customers, but also as citizens in a democratic society.

There are five ways in which the BBC describes itself as creating public value. It:

- '[S]upports civic life and national debate by providing trusted and impartial news and information that helps citizens make sense of the world and encourages them to engage with it.' [Democratic value]
- '[E]nriches the UK's cultural life by bringing talent and audiences together to break new ground, to celebrate our cultural heritage [and] broaden the national conversation.' [Cultural and creative value]
- '[O]ffers audiences of every age a world of formal and informal educational opportunities in every medium, [and] helps build a society strong in knowledge and skills.' [Educational value]
- '[E]nables the UK's many communities to see what they hold in common and how they differ, [...] the BBC seeks to build social cohesion and tolerance through greater understanding.' [Social and community value]
- '[S]upports the UK's global role by being the world's most trusted provider of international news and information, and by showcasing the best of British culture to a global audience.' [Global value]⁵⁷

How value is conceived of is a central concern of the public value approach. While current research now offers a theoretical debate of growing sophistication, work on public conceptions of public value is rather thin on the ground. However, even when conceptually outlined, public value remains something that can only be discovered, made and confirmed by the public themselves in a variety of public spheres. In this way, conceptions of public value and the organisations that create it gain their democratic legitimacy.

2.3 Processes of democratic legitimation

The public value approach is inescapably concerned with the gap between institutions and people. In a democracy, political authority is mandated directly from below by elections and indirectly through interest groups, party structures and the 'anticipation' of electoral reaction.⁵⁸ Public service organisational legitimacy is conferred from above by the institutions of mandated political authority. There is no additional legitimacy to be derived from this higher source. If there is to be more legitimacy, therefore, it can only be created from below. In this sense, Dewey was correct when he suggested that 'the solution to the problems of democracy is more democracy'.⁵⁹

⁵⁷ Ibid

⁵⁸ Dahl R A, *Democracy and its Critics*, New Haven, Yale University Press, 1989

⁵⁹ Dewey J, *The Public and its Problems*, Athens, Ohio University Press, 1927

If public value is to thrive, service providers must become more visibly responsive and more participatory than merely consultative. As Leadbeater has argued, what we need are more direct, innovative and creative opportunities for users to participate in the 'script' of public services.⁶⁰ Users need to receive services according to their needs, but also to play a role as 'co-designers in the shaping and delivery of that service'. User-shaped and personalised services are, therefore, valuable sources of public value.

With regard to public perceptions of public value, research by the Audit Commission found that while 80 per cent of local secondary school users were very or fairly satisfied with their service, only 30 per cent of the general population shared this view. People thus seem to perceive value when the gap between them and the reception of a service is reduced. Recent research in the UK found that 'faith' in 'closer' relationships (family, friends, work colleagues) rose between 1996 and 2001, while 'faith' in larger institutions (government, media, businesses) went down.⁶¹

For central government, public involvement in local decision making alongside effective local leadership has long been seen as crucial to the attempt to reinvigorate local democracy and to stimulate improvements to services.⁶² The 1998 local government white paper, for example, argues for a 'fundamental shift in power and influence towards local people' so that the public get 'a bigger say and a better deal'.⁶³ The *Modernising Government* white paper echoed these themes, arguing for increased public participation as a means of ensuring that services meet 'the needs of citizens, not the convenience of service providers'.⁶⁴ Similarly, the development of the Best Value regime, community strategies, local public service agreements and local strategic partnerships have all been driven by the demand for decision making to be more relevant to and more engaged with local communities.

Towards these ends, a significant body of practical expertise has been built up and it is to this that we now turn.

2.4 Methods of consultation and feedback

A recurrent difficulty with seeking to enhance citizen engagement is that of knowing when to do so and why.⁶⁵ Such engagement is clearly important where

⁶⁰ Leadbeater C, *Personalisation Through Participation: A new script for public services*, London, DEMOS, 2004

⁶¹ Bentley T, Kaye A, MacLeod P, O'Leary D and Parker S, *A Fair Go: Public value and diversity in education*, DEMOS and Education Foundation, 2004

⁶² Martin S and Davis H, 'What Works and For Whom? The competing rationalities of "Best Value"', *Policy & Politics*, Vol 29 No 2, pp465–475, 2001

⁶³ DETR (Department of the Environment, Transport and the Regions), *Modern Local Government: In touch with the people*, Cmnd 4014, London, Stationery Office, 1998

⁶⁴ Cabinet Office, *Modernising Government*, Cmnd 4310, London, Stationery Office, 1999

⁶⁵ Curtain R, *How Citizens Can Take Part in Developing and Implementing Public Policy*, Australian Public Policy Research Network, 2003

public support for services and their funding is required. There is evidence that when and where this should occur depends on the different stages of the policy development process and the distinct functions citizen participation can perform in each. Curtin sets out a helpful table that summarises this work:

Table 4: Reasons for policymakers to seek citizen participation

Policy development stages	Reasons to seek citizen participation
Define the problem/issue	Discovery – citizen input can help to define the issue
Identify criteria for decision	Discovery – citizen input can be used to identify evaluation criteria or underlying principles of a sound policy
Generate alternative options	Discovery – citizen input to identify alternative options and/or Education – citizens participate by absorbing relevant information and discussing issue and/or proposing alternatives Legitimate – citizen involvement in consideration of options can be an important basis for wider public acceptance of the outcome
Evaluate alternatives	Education – discuss/debate proposed alternatives and/or Measure – assess the range of public opinion on a set of options and/or Legitimate – citizen involvement in consideration of options can be an important basis for wider public acceptance of the outcome
Recommend an option	Education – discuss/debate proposed alternatives and/or Persuasion – seek to convince public to accept recommended option or approach Legitimate – citizen involvement in consideration of options can be an important basis for wider public acceptance of the outcome

Source: Adapted in Curtin, 2003 from Walters, Aydelotte and Miller, 2000

Although we can identify the need for greater citizen involvement, and perhaps even state when and where that involvement is most effective, there is a sense in which this kind of research amounts to the petulant stamping of feet and a demand for something that simply cannot be met. Unless practices are available for citizen engagement, public value requirements of democratic authorisation cannot be fulfilled. In fact, there is widespread experimentation with practical ways of achieving citizen engagement, both from the top down and from the bottom up.

2.4.1 What is being tried?

Curtin identifies four broad types of practical initiative to engage citizens that are based on evidence of participatory methods used by local authorities in England (see Table 5).⁶⁶ These are: ‘traditional’, ‘customer-oriented feedback’, ‘participative innovations’ and ‘deliberative methods’. Perhaps a more helpful distinction is

⁶⁶ Ibid

offered by Elster, who suggests that while some methods operate with the logic of markets and so collect static preferences (such as satisfaction surveys, suggestion schemes and focus groups), others use the logic of the forum and seek to refine preferences through deliberation (such as public meetings, citizens' juries and panels, and issue forums).⁶⁷ Other distinctions might involve that between consultation and actual decision making, or between institutional and non-institutional forms of participatory initiative.

Table 5: Participatory methods used by local authorities in England

Form of public participation	Used in 2001 (%)	Form of public participation	Used in 2001 (%)
Service satisfaction surveys	92	Other opinion polls	56
Complaints/suggestion schemes	86	Question and answer sessions	51
Consultation documents	84	Co-option/committee work	48
Focus groups	81	Issue forums	44
Public meetings	78	Shared-interest forums	38
Service user forums	73	Visioning exercises	38
Citizens' panels	71	User management of services	18
Area/neighbourhood forums	64	Referendums	10
Community plans/needs analysis	58	Citizens' juries	6
		Number of local authorities	216

Source: Office of the Deputy Prime Minister, 2002

However we categorise the variety of methods currently being tried, the survey of participatory methods employed by local authorities reveals a significant level of activity and a set of well-tried techniques. It is worth noting that this survey covers only those methods that are being used by elected officials and policymakers. For the most part, these are top-down techniques and still more are available in the fields of planning, international development and corporate team-building. If we combine these various top-down methods with participatory activity emanating from the bottom up (such as self-help and community groups, user-led campaign groups etc), then it begins to appear as though participatory forms of governance are rather more developed than is commonly supposed. This conclusion is supported by an Economic and Social Research Council research programme in political participation, which found that while voter turnout is indeed decreasing, other forms of political participation are on the rise.⁶⁸ Such changes in the authorisation environment have already been noted and warrant further attention below. Here, they suggest that public value's stringent demands for democratic

⁶⁷ Elster J, 'The Market and the Forum: Three varieties of political theory' in Elster J and Hylland A (eds), *Foundations of Social Choice Theory*, Cambridge, Cambridge University Press, 1986

⁶⁸ Pattie C, Seyd P and Whiteley P, *Citizenship in Britain: Values, participation*, Cambridge, Cambridge University Press, 2004

authorisation can indeed appear unrealistic. Yet so can it call on a host of established practices, on staff dedicated to deepening participation in their own services and on a growing public concern over the quality of service provision.

There has been widespread enthusiasm for the use of innovative methods of consultation in the UK, prompted by 'their potential to combine citizen deliberation, the interrogation of specialist evidence, and participatory approaches to problem-solving.'⁶⁹ However, support on the part of central government has recently waned, as deliberative methods such as citizens' juries have been seen to give rise to very public criticisms of government policy. As a consequence, Whitehall funding for innovative consultative techniques has increasingly focused on the 'safer, more controllable methods such as focus groups'.⁷⁰

Moreover, at the local level where the outcomes of deliberative initiatives have been received more positively, what are often 'quick and dirty' exercises have been criticised for an alleged lack of methodological rigour⁷¹ and the limited extent to which jurors could express their opinions independently of the body that had commissioned them to act⁷². Delap has suggested that citizens' juries have sometimes been used to substitute for other established processes that might hold governing bodies more effectively to account.⁷³ Interestingly, in Delap's example we observe a participatory method used in place of an established method of accountability. The public value approach would seek not only to add such participatory methods to its established accountability processes, but also to make accountability a democratic process in itself.

⁶⁹ Smith G and Wales C, 'Citizens' Juries and Deliberative Democracy', *Political Studies*, Vol 48 No 1, pp51-65, 2000

⁷⁰ Wakeford T, 'Citizens' Juries: A radical alternative for social research', *Social Research Update*, No 37, Department of Sociology, University of Surrey, 2002

⁷¹ Ibid

⁷² Barnes M, *Building a Deliberative Democracy: An evaluation of two citizens' juries*, London, Institute for Public Policy Research, 1999

⁷³ Delap C, 'Citizens' Juries: Reflections on the UK experience' in Pimbert M and Wakeford T (eds), *Deliberative Democracy and Citizen Empowerment*, PLA Notes 40, London, IIED, 2001

Box 1: Consultation methods

Focus groups

These are groups of citizens brought together to discuss a specific issue. Focus groups do not aspire to being representative of the general population. Discussions may focus on the specific needs of that group, on the quality of a particular service or on ideas for broader policy or strategy. Focus groups do not generally call expert witnesses, last between one and two hours and involve around 12 people.

Citizen panels

Citizen panels are a statistically representative sample of citizens who are regularly consulted. Two types have been used: research and standing panels. Research panels are a representative sample (500 to 5,000 people by gender, age, ethnic background and occupation) of a local population, here convened to provide a 'sounding board' for policy development. Panel member views are collected with a variety of methods, including surveys, interviews and focus groups. Standing panels are used to test specific policy options and to scrutinise progression of policy implementation.

Citizens' juries

Like a focus group, a citizens' jury is a small group of citizens brought together to consider a particular issue. Unlike the focus group, however, it is chosen on a representative basis. Citizens' juries can take evidence from expert witnesses and cross-question experts. This can take up to four days, after which the jury makes its report. Such juries are particularly effective in involving citizens in decision making on complex and highly technical issues. It has thus been used successfully in complex biomedical, genetic engineering and telecommunications public policy issues. Citizens' juries have been run in the UK on ethical and social questions, and on a wide range of policy areas including local planning, energy, communication, environment and transport.

Citizens' forum

A citizens' forum is a large-scale meeting involving around 100 members of the public. Forum members work in 'table groups' of ten, each with a facilitator, and have an individual voting keypad to register responses on specific questions. Citizens' forums have been used to discuss concepts of equality and fairness, and their findings have informed the possible development of a single equality commission in the UK.

Deliberative opinion polling

Deliberative polling involves the consultation of a much larger discussion forum of citizens than a citizens' jury. Here, again, the aim is to discover what people think about an issue once they have had time to consider and discuss it with experts and among themselves. Deliberative polls are often accompanied by an initial survey, and then following the deliberative process, a subsequent survey of opinion. Between the two sets of responses there tends to be a moderation of extreme preferences and consensus around a more considered position. Deliberative polling has been used to inform a wide range of debates including the introduction of the euro, alternative energy policies and the reform of the monarchy.

2.5 Processes of democratic accountability

Accountability involves 'being answerable for decisions or actions, often to prevent the misuse of power and other forms of inappropriate behaviour.'⁷⁴ It can take the form of an explanation to stakeholders, the provision of additional information, reviewing and revising systems and practices, operating mechanisms of redress, the application of sanctions and allowing public scrutiny.

There are various institutional mechanisms for the implementation of accountability. For politicians and public managers, accountability closely follows the formal chain of responsibility. Yet, as Cameron points out:

'This central channel is supplemented by a number of other accountability mechanisms, including the accountability of public servants to respond to inquiries by parliamentary committees, to those agencies which through their statutory roles reinforce public accountability such as the Auditor-General, the Ombudsman, tribunals and the courts, as well as freedom of information legislation.'⁷⁵

This complex institutional structure of accountability still relies heavily on social norms associated with ethical behaviour on the part of public servants. As Cameron further notes: 'The ethical framework flows from public service values, obligations and standards, which are in turn derived from legislation, policy and accepted public service conventions.'⁷⁶ There are also statutory responsibilities to maintain ethical standards of behaviour among public servants, as laid down for example in codes of conduct.

Within an increasingly complex authorisation environment it is inevitable that processes of accountability will involve a whole host of actors and relationships. These can be seen as internal and external relations of accountability.⁷⁷

- **Internal accountability** occurs between superiors and subordinates in an organisation. Internal accountability may be exercised by managers over other managers and also by politicians over managers. Traditionally, internal accountability followed hierarchical chains of command. This is now giving way to a greater focus on outputs and outcomes, and to the devolution of management units.
- **External accountability** operates when public organisations give an account to and are held to account by external individuals or agencies. This may involve accountability to members of the public or to different levels of government. Public organisations and their managers are thus externally accountable to politically elected members, to mandated bodies and to the electorate.

⁷⁴ Cameron W, 'Public Accountability: Effectiveness, equity, ethics', *Australian Journal of Public Administration*, Vol 63 No 4, pp59–67, 2004

⁷⁵ Ibid

⁷⁶ Ibid

⁷⁷ See OPM (Office for Public Management), *Overview of Current Governance Structures and Guidance for Public Services*, London, OPM, 2004 for a comparative analysis of the range of external and internal accountability structures utilised across the public, private and non-profit sectors

Whichever way accountability is conceived of, the nature of organisational performance in the public sector is, of course, highly contested. Stakeholders may disagree for example over the fundamental aims of services and over what is to count as 'good' performance. It is thus very difficult to identify stable and consensual indicators of output and outcome. Other forms of accountability derive from law, professional organisations, from consumers and also from the media. In the public sector, these accountability demands often run simultaneously and can come into direct conflict.

2.5.1 Changes in the authorisation environment

The emergence of networked governance and the changing nature of public participation are elements of what is increasingly being characterised as a profound shift in the authorisation environment of contemporary service provision. Other elements include: privatisation, corporatisation, outsourcing, budgetary and financial reform, and devolution of authority from central agencies. Such changes have a significant influence on public accountability, resulting in new accountability relationships between parliament, the government, senior public managers, public service managers and the citizenry.

2.5.1.1 Increased outsourcing – private sector involvement in service provision

Expanding the involvement of private actors and organisations in the provision of public services introduces new cultures, contractual relationships between providers and purchasers of services, and new management practices. This inevitably complicates questions of accountability. Private sector actors have very different accountability practices, and while they might adapt their practices to conform to public sector accountability standards, such adaptation has its limits.⁷⁸ It is precisely because they were subject to different, and perhaps more effective, accountability requirements that private actors were invited to provide services in the first place. Such developments highlight the need for clarity in regard to what the market can and cannot do and for ways of measuring public value that do not insist providers of services be located exclusively in the public sector. Yet so do they raise the question of whether the public value approach can be used to state categorically whether a service should or should not be provided by a public or private actor. While a full-blown political theory might be able to answer such a question (presumably with a dogmatic assertion one way or the other), such a determination is beyond the remit of public value. However, what public value does require, and this is its challenge to any kind of provider, is that the service provides what the public values. For whoever provides the service, then, the public value approach puts the bar very high in regard to interaction with the authorisation environment. It may be that a public provider can show good reasons why it is better positioned to create public value than a private competitor. This might be due to a greater availability of structures for public

⁷⁸ See for example HSHPRU (Health Services and Health Policy Research Unit), *Public Services, Private Finance: Accountability, affordability and the two-tier workforce*, London, UNISON, 2001

engagement, a distinguished track record of consultation or a history of public trust. But there can be no necessity to the claim that such a provider be located in the public sector. Where private actors are involved in the delivery of services, the question arises as to whether that private organisation can deliver increased benefit over its public counterpart. Once again, what is to constitute 'increased benefit' involves an interaction with the authorisation environment in order to find out.

2.5.1.2 Risk and private provision

Contracts to deliver public services entered into between government and private actors must incentivise those actors and transfer risk to them in such a way that upholds the public interest and policy objectives. Of particular concern in this regard is the flow of information into the public domain about the nature and scope of private sector involvement in public services. Problems have occurred in private finance initiatives for example around the disclosure of accurate performance data and the detailed terms of contracts.⁷⁹

Research conducted in Australia suggests that well-reported performance information is fundamental to public agency accountability and effective management.⁸⁰ It is a primary vehicle by which assurance is provided to parliament and the public that a government's objectives are being met. However, this same research also draws attention to a series of difficulties associated with reporting non-financial performance in a changing authorisation environment. These include:

- Lack of incentives for agencies to report more than they are legally bound to. (Reasons cited included avoiding negative publicity, uncertainty over the appropriateness and the uses to which this information would be applied.)
- Inability to cascade missions into identifiable service outcomes and allocative decisions.
- Absence of communication between preparers and users of information. (Users do not always grasp how to assess performance and can be easily overwhelmed by too much information.)
- Conflicting accountability requirements of parliament and public managers.

Despite these difficulties, it has been argued that procurement contracts can be designed to deliver greater public involvement, as well as outcomes that are responsive to local needs.⁸¹ Where such 'outcome specifications' are cognisant

⁷⁹ Cameron W, 'Public Accountability: Effectiveness, equity, ethics', *Australian Journal of Public Administration*, Vol 63 No 4, pp59–67, 2004

⁸⁰ Victorian Auditor-General, *Performance Management and Reporting: Progress report and a case study*, Melbourne, April 2003

⁸¹ For an overview of the development of procurement as a means of realising social outcomes see McCrudden C, 'Using Public Procurement to Achieve Social Outcomes', *Natural Resources Forum*, Vol 28, November 2004

of constraints on the private actor, and where they leave room for contractors to provide services in flexible ways, there is a greater likelihood that such contractors can create public value. Yet where the political risk of service failure is high, there is a tendency for procurers to micro-manage contractors in such a way as to limit seriously their discretionary flexibility. This will remain a danger as democratically elected politicians and senior public managers can never completely transfer risk by moving a service from a public to a private provider.

2.5.1.3 The participatory turn in governance

Recent appeals to 'active citizens', to the 'new localism', to 'devolution' and to choice all attest to the current importance of participation across the public sector. In the academy, every social science seeks greater citizen involvement. Democratic theory has called this the 'participatory turn'⁸² and while ideological differences about political control over the market invigorated political debates in the past, central debates now focus on how much participation is required, how it is to be achieved and how much is too much. Dunn has described modern democrats as falling into two broad camps: the utopian idealists who insist on more participation, but do not know how it is to be achieved; and the grim realists, who apologise for current failings on the grounds that what we have now is the best that is possible under the circumstances.⁸³

Certainly, governments have embraced the participatory turn in that their rhetoric increasingly seeks greater citizen participation in the design, delivery and evaluation of services. Practical initiatives in outsourcing, partnering with other agencies and engagement with communities are attempts to deliver effective service outcomes that are also legitimate. Developing an accountability framework that fits emerging collaborative arrangements would greatly assist participatory governance. Requirements for participatory input, the accountability of independent parties and perhaps even accountability to communities needs to be explicit and clear. Determining how much participation is required on any particular issue for any stage in the policy cycle should lead to greater efficiency and use of resources than would traditional approaches to consultation.

The growing focus on participation raises concerns about the legitimacy of representative systems of democracy, particularly regarding its more technocratic forms. New kinds of participation, increasingly expressed outside the institutional structures of representative government, have the potential to create tensions between politicians and public managers and between policy actors and the public.⁸⁴ The public value approach thus emerges at a time when top-down participatory initiatives cannot find their public and, simultaneously, bottom-up initiatives cannot gain the ear of government.

⁸² Pateman C, *Participation and Democratic Theory*, Cambridge, Cambridge University Press, 1970

⁸³ Dunn J, *Western Political Theory in the Face of the Future*, Cambridge, Cambridge University Press, 1979

⁸⁴ Boyne G, Gould-Williams J, Law J and Walker R, 'Plans, Performance Information and Accountability: The case of best value', *Public Administration*, Vol 80 No 4, 2002

Lest we imagine that there are no bottom-up initiatives, or that there is no public wanting to be involved with service provision, a number of correctives are available. Salmon, for example, describes the current mushrooming of bottom-up and grass-roots democratic activity across the world as an 'associational revolution'.⁸⁵ In the UK, MORI found that over three-quarters of the population are 'interested in national or local issues' and the Electoral Commission recently estimated that there are, everyday in the UK, 15.5million political conversations.⁸⁶ Yet such dynamism in the public sphere sits awkwardly with Parry and Moyser's assertion that, for the most part, the total average participation of a citizen in a modern liberal democracy amounts to the inscription of 12 crosses in little boxes.⁸⁷ Indeed, Hirst goes so far as to assert that:

'Modern democratic citizens...are told they are participants in a free and democratic society, yet they are at every turn subject to the constraints of hierarchical administration without significant opportunities for control or consent.'⁸⁸

Although it is hard to conceive of a significant increase in public participation, public value is surely positioned in such a way as to offer a unique reconnection, here between the public and the politicians and public managers who act in their name.

⁸⁵ Salmon L, *The Global Associational Revolution: The rise of the third sector on the world scene*, Johns Hopkins University, 1993/CCSS-WP-4, 1993

⁸⁶ Bentley T, *Everyday Democracy: Why we get the politicians we deserve*, London, DEMOS, 2005

⁸⁷ Parry G and Moyser G, 'More Participation, More Democracy?' in Beetham D (ed), *Defining and Measuring Democracy*, London, Sage, 1995

⁸⁸ Hirst P, 'Associational Democracy' in Held D (ed), *Prospects for Democracy: North, South, East, West*, Cambridge, Polity Press, 1993

Box 2: Accountability and good governance

Given the variations in guidelines on good governance across the UK public sector, the Independent Commission on Good Governance in Public Services was established in order to develop a common set of governance standards for all public services. Among the core principles that underpin the Commission's approach is a view that 'good governance means engaging stakeholders and making accountability real.'

The Commission provided four practically-oriented principles to explain what governing bodies of public sector organisations need to do in order to generate 'real' accountability.

Understanding formal and informal accountability relationships

- Governing bodies should make clear, to themselves and to their staff, to whom they are accountable and for what.
- They should assess the extent to which each relationship serves its purpose, including whether any relationships need to be strengthened and whether any dominate to the detriment of serving the purpose of the organisation and being accountable to other stakeholders.

Take an active and planned approach to dialogue with and accountability to the public

- Governing bodies should make it clear that they seek and welcome feedback, and ensure that they respond quickly and responsibly to comment.
- They should ensure that the organisation has a clear policy on the types of issues on which it will consult or engage the public and service users respectively. This policy should clearly explain how the organisation will use this input in decision making and how it will feed these decisions back to the public and to service users.
- Each year, the governing body should publish the organisation's purpose, strategy, plans and financial statements, as well as information about the organisation's outcomes, achievements and the satisfaction of service users in the previous period.

Take an active and planned approach to responsibility to staff

- The governing body should have a clear policy on when and how it consults and involves staff and their representatives in decision making.
- Governing bodies should make sure that effective systems are in place to protect the rights of staff.
- They should make sure that policies for whistle blowing, and support for whistle blowers, are in place.

Engage effectively with institutional stakeholders

- Governing bodies should take the lead in forming and maintaining relationships with the leaders of other organisations as a foundation for effective working relationships at operational levels.

Source: OPM, 2005

2.6 The political calculus of public value

As we have seen, it is widely argued that public policy outcomes are value laden.⁸⁹ These values dictate the goals and strategies of the organisation and are 'desirable in their own right, not just as means to some other objective.'⁹⁰ At the same time, the dynamic of public value reminds us that these value-laden outcomes are to be authorised by the public.

It is common for policy analysts to assert that value conflicts take the form of trade-offs. Yet such trade-offs are notoriously difficult to operationalise. What, for example, is the relative importance of security and community cohesion, or of equality and self-reliance? To make trade-offs between values, we need to know how each value compares, how each is to be weighted and perhaps even how each can be translated into a common and comparable metric. Comparing values is not just a theoretical difficulty. Thacher and Rein ask how are we ever going to 'determine the appropriate level of street stops and searches by balancing the gains to law enforcement...against the costs to the community?'⁹¹

Thacher and Rein explore three alternatives to the trade-off approach in which policy and practice incorporate multiple and conflicting values:

- **Cycling:** Policy actors may focus on each value sequentially, emphasising one value until the destructive consequences for others become too severe to ignore. In doing so they may facilitate the invention of new strategies so that they become progressively more sophisticated in the way they handle the dilemma over time.
- **Firewalls:** Policy actors may establish and sustain multiple institutions committed to different values, walling off each institution from the responsibilities of the others. In doing so they distribute the primary responsibility for each of several conflicting values among separate institutions, ensuring that each value has a vigorous champion.
- **Casuistry:** Policy actors may eschew general decisions about how conflicting values should be weighted. Instead they encourage and facilitate case-by-case judgement about how decisions should be made, typically using analogical reasoning to do so.⁹²

2.7 Political involvement in Best Value

The Best Value regime is perhaps the most prominent of recent attempts to deliver value in public services. As such, it provides perhaps the clearest example of the difficulties that emerge when insufficient attention is paid to legitimating the values that underpin attempts to improve service provision. Two approaches to

⁸⁹ Kelly G, Muers S and Mulgan G, *Creating Public Value: An analytical framework for public service reform*, London, Prime Minister's Strategy Unit, Cabinet Office, 2002

⁹⁰ Thacher D and Rein M, 'Managing Value Conflict in Public Policy', *Governance: An International Journal of Policy, Administration and Institutions*, Vol 17 No 4, 2004

⁹¹ Ibid

⁹² Ibid

Best Value are pertinent here. The first is the Best Value performance management framework. Value is narrowly defined to include inputs and outputs rather than outcomes and provides little guidance as to how values might be traded-off and still less on how so rigid a framework could be used to deliver services that are responsive to local needs. Indeed, Martin and Davis state that this approach has a strong tendency towards central control.⁹³

The second view offers a lighter touch by government, as for example in the drive for national minimum standards. Yet this approach, while avoiding over-management from the centre, does not help managers in their search for outcomes that reflect publicly held values. Indeed, Martin and Davis cite one senior manager complaining that the absence of central control meant he had no clear targets at all. As a consequence, and still in the absence of adequate interaction with the authorisation environment, there is the danger that:

‘The Best Value regime could simply provide a new set of rules for a game that continues to be played out by local authority officers, inspectors, auditors and central government departments with the public and local politicians continuing to be cast in the role of disinterested bystanders. In these circumstances, local people are understandably disinclined to participate in what they see as formulaic and largely token consultation exercises.’⁹⁴

Such ‘mission drift’ is made possible by the lack of contact with the authorisation environment. For this reason we would expect the same difficulties to arise in the use of the Accenture management consultancy approach to ‘public sector value.’⁹⁵ As with Best Value, the Accenture approach can accommodate and factor in all manner of value-laden outcomes. However, this apparent clarity in the areas of creation and measurement of public value is achieved at the cost of a wholly undeveloped relationship with democratic legitimacy and accountability. While arguing that ‘high-performance government organisations define their mission in terms of the needs, expectations and perceptions of their constituents’ and that ‘of course, the citizen is the most important client’, nowhere does the Accenture approach suggest how ‘organisations actively seek out their clients to understand their short- and long-term needs and expectations’, which are nevertheless ‘the chief barometer for establishing performance goals.’⁹⁶

Yet despite the weaknesses of the Best Value regime, Martin and Davis point to an ‘alternative vision’ of Best Value.⁹⁷ This they see as allowing for a much wider conception of values and the factoring in of a greater variety of outcomes,

⁹³ Martin S and Davis H, ‘What Works and For Whom? The competing rationalities of “Best Value”’, *Policy & Politics*, Vol 29 No 2, pp465-475, 2001

⁹⁴ Ibid

⁹⁵ See Jupp V and Younger M P, *A Value Model for the Public Sector*, *Accenture Outlook*, No 1, 2004 and Linder J C and Brooks J D, *Transforming the Public Sector*, *Accenture Outlook*, No 2, 2004

⁹⁶ Linder J C and Brooks J D, Ibid

⁹⁷ Martin S and Davis H, ‘What Works and For Whom? The competing rationalities of “Best Value”’, *Policy & Politics*, Vol 29 No 2, pp465-475, 2001

Public value, politics and public management

perhaps also to include local priorities and conceptions of value. When Best Value is defined in this way, value trade-offs become more explicit and the importance of the authorising environment is reasserted.

3. Creating public value

Public value is clarified and authorised by the public, but it is made, increased and created by public service organisations. It is for these organisations that politicians and public managers must justify the allocation of resources and find management practices that generate public value. In this section, we review research on public value in resource allocation as a strategic organisational goal and a management tool.

3.1 Justifying resource allocation

Fozzard identifies four broad approaches to resource allocation decision-making currently employed in the public sector:

- Focuses on the state's comparative advantage in the economy. The rationale for public intervention is here determined by the conditions of supply and demand for public and private goods.
- Applies the principle of marginal utility using measures of cost effectiveness. The aim is to maximise utility through measurements of net social benefit using cost-benefit analysis.
- Gives primacy to the allocative preferences of citizens and seeks to develop improved mechanisms of collective decision making to communicate more effectively these preferences to decision makers.
- The rationale for public intervention is determined by the concern to redistribute resources in order to tackle social inequality and poverty.⁹⁸

Fozzard argues that in practice these approaches are not at odds with one another. Rather, they are simultaneous drivers of a decision-making process that is by necessity multi-dimensional and subject to bargaining and trade-offs. If this is so, then the utility of public value (and the justificatory principles and analytic techniques that underpin it) will be determined to a great extent by how effectively it is able to negotiate the process of resource allocation decision making.

Public value can be recognised as a powerful form of argumentation – one particularly suited to justifying resource allocation in a modern democracy. The appeal to values over and above efficiency, the recovery of the public service ethos and the importance it accords to public involvement make it a communicative device that is at once powerful and rationally defensible. As used by the BBC, for example, the appeal to public value offers a helpful clarification of the kind of value generated by successful public organisations. The appeal to public value is here intended to weight certain values more heavily in negotiations for resources. It also affords a clarification of the corporation's mission that at once mobilises popular support and serves as a strategic guide for management throughout the organisation.

⁹⁸ Fozzard A, *The Basic Budgeting Problem: Approaches to resource allocation in the public sector and their implications for pro-poor budgeting*, Working Paper No 147, Centre for Aid and Public Expenditure, Overseas Development Institute, 2001

It may be that the complex debates that currently surround public value are less useful in articulating the importance of an organisation like the BBC than is the stark assertion that it produces something more than financial value. In this way, the corporation's claim that it creates public value offers a powerful argument by which the allocation of resources can be justified.

When we consider the use of public value for justifying the allocation of resources we should not imagine that politicians and senior managers are merely 'passive executors of the collective will'.⁹⁹ This issue appears again and again in discussions of public value, sometimes in the form of problems caused by simply aggregating revealed preferences, sometimes in discussions of the limits of choice. Fozzard addresses this issue in a discussion of 'merit goods' and the role of decision makers in their creation:

'If politicians and bureaucrats accept the principle that they should comply with citizens' revealed preferences, then their intervention may be justified on the grounds that individuals are not always aware of and will not necessarily act in their best interests. In these circumstances, the public sector must intervene so that some goods and services are provided *even if citizens do not consider them necessary or desirable*.¹⁰⁰ [Emphasis added]

Once again, we here confront the difference between unmediated and knee-jerk public preferences and those that are considered, informed, refined and oriented to the common good. 'Merit goods,' Fozzard explains, are 'goods that are mandated regardless of individual and collective preferences.'¹⁰¹ His point is that 'individuals might undervalue certain goods'...because they are unaware of or are unable to assess [their] long-term benefits.'¹⁰² If for example primary education is insufficiently valued in a society, it may need to be made compulsory. Merit goods require the allocation of resources, yet in negotiations between politicians and senior public managers, neither can draw on a supporting authorisation environment. The question of whether resources should be allocated according to revealed or refined public preferences thus leads immediately to another: whether the public has the necessary competence to be included in such decision making at all. Yet it could be argued that it is precisely when the competence of the public arises as an obstacle to participation and to the creation of public value that leadership becomes so vitally important. This kind of leadership is responsive to popular opinion, yet so does it guide and educate.

The public value approach offers strategic communication of considerable power, and so it needs to if it is to influence negotiations over scarce resources. Certainly, there are areas where we confront the limits of participatory input and perhaps even the competence of citizens. Yet it remains the case that where public value is

⁹⁹ Ibid

¹⁰⁰ Ibid

¹⁰¹ Ibid

¹⁰² Ibid

Box 3: Intervening to create public value – an example from the Netherlands

When the Dutch bus company, Connexion, found that no one was using its service between Leiden and The Hague, it did not immediately act on the public preferences revealed by the empty bus. Instead of closing the service down, Connexion, in collaboration with the local authority, made it completely free for 12 months.

During that time, first teenagers then the elderly and then commuters learned the value of that route. Consequently, when fares were reinstated after 12 months, the bus had once again become an ongoing and revenue-generating concern with a 200 percentage-point increase in passenger numbers. One of the stated aims of the experiment was to promote a 'better image' for public transportation. Non-financial gains included reductions in pollution emissions, noise, congestion and nuisance for local residents.

The authorisation environment began by rejecting the value of a public service. Yet astute management was able to mobilise that same authorisation environment to gain support for a time window and for the allocation of public funds to keep the service going. Now that service again creates public value.

Source: Ecorys, 2005

successful in clarifying and capturing what it is that public services do, so does it empower politicians and senior public managers in their negotiations over the allocation of resources. In the process of resource allocation, negotiating positions are strengthened when they carry public support and where legitimacy helps non-economic values compete with economic ones.

3.2 Public value as a strategic goal

As well as providing a potential framework in which to justify the allocation of resources, public value aspires to provide practical and strategic goals for organisations. As Parston observes:

'The new management task...entails working in networks and partnerships, with other organisations, with employees and with the public, to develop more effective customer service and greater contributions to social wellbeing. Balancing the needs and demands of both the individual consumer and the general public is something few managers in any sector have much experience of doing. This is today's crucial area for management and organisational development.'¹⁰³

Parston then goes on to analyse the leadership tasks of public managers. His discussion is worth quoting in full because it gives the clearest available description of the strategic orientation required of public managers seeking to

¹⁰³ Parston G, *Managing for Social Result*, London, OPM, 1998

create public value. For 'social result' we can here read 'public value'. A leader must: 'Work with all stakeholders to define, clarify and promote the intended social result of the public service organisation... Because of its inherent complexity and its potential to generate conflict, social result is not often addressed explicitly. The manager's job is to put that right and to define a bottom line that is at once political and economic, about customer responsiveness and public good. In health care, this will be not just better service but a real commitment to the improved health of the local population; in policing, to a safer community; in public broadcasting, to a more informed national debate; in education, to an employable and cultured population. A key role for the public manager is continually to make explicit the inherent complexity and tensions contained within these commitments. This means engaging in a dialogue with all stakeholders to understand their expectations and needs. It also means fostering real debate between stakeholders in order to help each of those who make demands of public service to understand the demands of all, to develop trust among them, to identify areas of consensus and difference, and to strengthen the voice of those whose claims are often easy to ignore.'¹⁰⁴

The use of public value to implement strategic goals is further explored by Moore, who builds on Kaplan and Norton's balanced scorecard.¹⁰⁵ He takes from them the insight that while non-economic measures are important, so are process measures. He then constructs a public value scorecard as an alternative way of measuring non-profit performance and as a means of implementing a public value strategy (see Figure 2 on the next page). Moore's public value scorecard focuses attention on what might be considered 'the flow of authorisations or political legitimisation' that public organisations receive and that enables them to operate. Such a performance measurement system for political authorisation and legitimisation amounts to imagining that the organisation develop 'a set of accounts with those who provide "licenses to operate" or "vouch for the organisation with other players" as well as those that provide material and financial resources.'¹⁰⁶

In his discussion of public value as a strategic goal, Moore draws our attention to the notion of a public 'value chain'. It is this value chain that 'converts' authorisation and material resources into 'outputs...satisfied clients and desired outcomes.'¹⁰⁷ The elements of this value chain also serve to identify 'the particular processes and activities...[an organisation] relies upon to produce its outputs.'¹⁰⁸

¹⁰⁴ Ibid

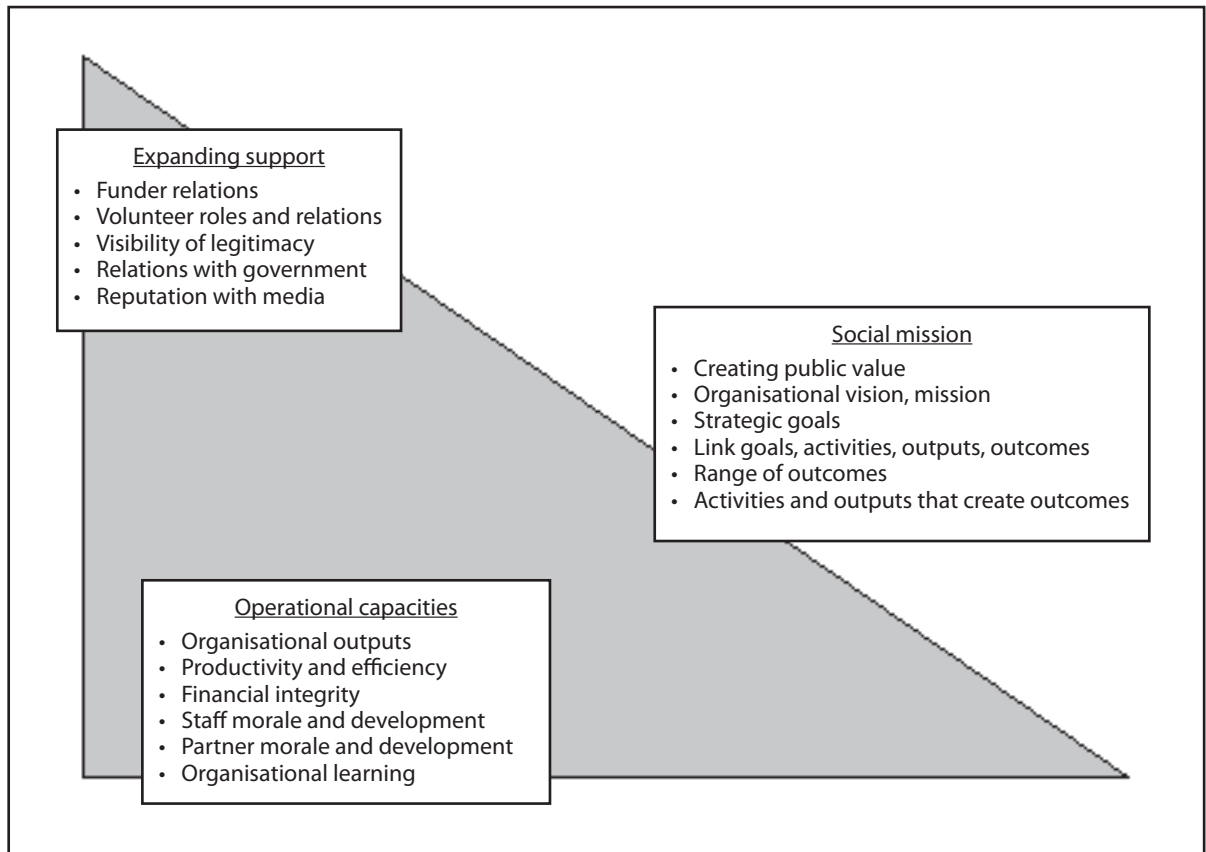
¹⁰⁵ Moore M H, *The 'Public Value Scorecard': A Rejoinder and an Alternative to 'Strategic Performance Measurement and Management in Non-Profit Organizations'* by Robert Kaplan, HCNO Working Paper Series, May 2002

¹⁰⁶ Ibid

¹⁰⁷ Ibid

¹⁰⁸ Ibid

Figure 2: Moore's public value scorecard



Source: adapted from Moore, 2002

Moore then goes on to distinguish between private and public value chains:

'Just as the ultimate value of a private sector firm's operations lie in the satisfaction that is generated among consumers, so the ultimate value of a non-profit organisation can be measured by the satisfactions and benefits it delivers to its clients, or in the social results that it produces for society at large. This value is measured (imperfectly) in private sector organisations right at the boundary of the organisation when customers put their money down and reveal how much they value the output of the private entity. It is measured much less perfectly (and much more expensively!) when non-profits look down the value chain beyond the boundaries of the organisation and ask whether they have not only satisfied their clients, but also helped them to change their lives and to achieve the social outcomes that they intended to achieve.'¹⁰⁹

¹⁰⁹ Ibid

By orienting strategic planning to the elements of the public value chain, Moore is able to clarify a fundamental difficulty for public service organisations. In such organisations, he observes ‘all the value...lies “downstream” in its production processes at the delivery end... rather than “upstream” where the organisation raises resources to pursue its objectives.’¹¹⁰

3.3 Public value as a management tool

Public value can provide publicly authorised reasons for resource allocation, guide strategic goals and clarify organisational missions. Yet much interest in the public value approach derives from the possibility of using it as a management tool. Here, ‘managers will need to be entrepreneurs...explorers...constantly searching for how they could better create public value through exploiting their distinctive competence.’¹¹¹ He gives by way of example a voluntary organisation that delivers meals-on-wheels. The public value approach might reveal that the organisation’s distinctive competence is not only to deliver meals, but also to provide human contact to those who are socially isolated. Such a clarification might then encourage that organisation to seek out other socially isolated groups who could benefit from such a service, thereby maximising its creation of public value.

3.3.1 Managing organisational culture

Kelly et al point out that while a public sector ethos ‘clearly matters’ it remains ‘more talked about and invoked than managed.’¹¹² Public value-oriented management would surely include assuring that the organisation’s ethos is compatible with its strategic goals and with its authorising environment.

Research shows that ‘service users are well attuned to the ethos of providers.’¹¹³ However, much less is known about the capacity of policymakers to induce behavioural change. This would seem to be an important aspect of the public value approach. Its absence from the literature is of concern to Kelly et al, yet they are able to suggest that:

‘A recurring theme of successful strategies at changing citizen behaviour appears to be offering personalised and credible information on the benefits to individuals of alternative courses of behaviour. Good examples in the UK include the New Deal personal advisers...and services like NHS Direct.’¹¹⁴

Organisational responsiveness and innovation is another recurring theme in the capacity of policy to affect organisational culture and increase the creation of public value.

¹¹⁰ Ibid

¹¹¹ Ibid

¹¹² Kelly G, Muers S and Mulgan G, *Creating Public Value: An analytical framework for public service reform*, London, Prime Minister’s Strategy Unit, Cabinet Office, 2002

¹¹³ Ibid

¹¹⁴ Ibid

3.3.2 Managing for innovation

In *The Adaptive State*¹¹⁵, Bentley and Wilsden appealed to public organisations to develop their 'adaptive capacity' and to learn from themselves. This was more than a request for 'continuous improvement' and a demand that we address 'the interaction between the formal, rule-bound operation of each institution and its surrounding network of families, cultures, communities and socio-economic forces.'¹¹⁶

Managers of public organisations are thus instructed to factor in aspects of the authorisation environment that ensure responsiveness to changing public needs. In the absence of the discipline afforded by the profit motive, public organisations must make and use other incentives. So too must they overcome their natural risk aversion, as well as pressures to deliver on short-term goals. Yet despite these difficulties, Bentley et al note that:

'There is a strong history of public sector innovation. This ranges from new clinical and teaching practices to new organisational structures (eg the NHS, the BBC), to major infrastructure developments [eg the Joint Academic Network (JANET) in higher education, the National Grid for Learning for schools] and stimulus for fundamental technological breakthroughs like the internet and the World Wide Web.'¹¹⁷

Mulgan and Albury suggest that a more systematic analysis of innovative initiatives in the public services might draw on the following core concerns.

- How can we stimulate and support ideas for innovation?
- What mechanisms are there for developing ideas and managing attendant risks?
- How can the rapid and effective diffusion of successful innovation be promoted?
- How should we evaluate what promotes continuous learning?¹¹⁸

¹¹⁵ Bentley T and Wilsden J (eds), *The Adaptive State: Strategies for personalising the public realm*, London, DEMOS, 2003

¹¹⁶ Bentley T, Kaye A, MacLeod P, O' Leary D and Parker S, *A Fair Go: Public value and diversity in education*, London, DEMOS and Education Foundation, 2004

¹¹⁷ Ibid

¹¹⁸ Mulgan G and Albury D, *Innovation in the Public Sector*, Prime Minister's Strategy Unit, UK, 2003

Box 4: The sources of public service innovation in the USA

A study of over 300 successful public policy innovations across federal, state and local government in the US during the 1990s provides a detailed analysis of the factors that facilitate and obstruct innovation. Based on a sample drawn from the most successful applicants to the Ford Foundation-Kennedy School of Government (Ford-KSG) Innovations in American Government Awards Program, the study analyses the characteristics of the innovation process – where in the organisation it is initiated, who supported the innovation and how innovators overcame obstacles.

Who innovates?

- Middle managers were by far the most frequent initiators of policy innovation (in 43 per cent of cases), followed by heads of agency (28 per cent), frontline politicians and frontline staff (both 27 per cent).

Conditions that lead to innovation

- Initiatives coming from the political system (due to an election mandate, legislation enabling an innovation or pressure by politicians) applied to 18 per cent of cases
- New leadership, whether from outside or inside the organisation, applied to 8 per cent of cases
- A crisis, defined as a current or anticipated publicly visible failure or problem, applied to 17 per cent of cases
- Internal problems (failing to respond to a changing environment, inability to reach a target population, inability to meet demand for a programme, resource constraints or an inability to co-ordinate policies) applied to 35 per cent of cases)
- New opportunities created by technology or other causes applied to 15 per cent of cases.

Gathering support

- There are relatively independent paths to innovation. Public servants worked through bureaucratic channels rather than going over the heads of their colleagues to appeal directly for political support, and politicians went through political channels and mobilised public support.

Obstacles to innovation

- In almost a third of instances attempts to innovate were met with bureaucratic opposition. The most frequent responses to this situation were to provide training (24 per cent), demonstrate the benefits of the innovation (23 per cent), consultation with affected parties (20 per cent) and persistence (20 per cent).
- Political opposition was most frequently overcome by building political support for the innovation (25 per cent), demonstrating the innovation's benefits (25 per cent), persistence (25 per cent), co-optation of affected parties (19 per cent) and social marketing (17 per cent).

Source: Borins, 2000

3.4 Managing citizen expectations

This section briefly examines two problems explored in more detail in The Work Foundation literature review on *Public Value, Citizen Expectations and User Commitment*. The first emerges when public expectations of services are too high, the second when they are too low. Both can result in a breakdown of trust and legitimacy, and both make it almost impossible to generate public value.

Authorisation environments can change rapidly and there are a number of examples in public policy provision where politicians and public managers have been caught unawares. Whether in response to a genuine public concern, a media campaign or some combination of the two, such changes can suddenly drive up citizen expectations of what public services can and should provide. This has occurred particularly in healthcare provision, criminal justice and mental health services. When public expectations exceed what is possible, the strategic goal of satisfying the consumer of services is suddenly out of reach. For this reason, Kelly et al counsel the careful management of citizen expectations, open information and the transparency of processes by which resources are allocated.

Just as unrealistic demands from the authorisation environment limit the creation of public value, citizens can also often lower their expectations of public services, particularly in regard to their own capacity to influence outcomes. There is much evidence that voluntary groups, service staff and service users have developed a troubling cynicism towards initiatives to engage them, sometimes referred to as 'consultation fatigue'. As Kelly et al put it: 'There is a real danger of underestimating the cynicism people feel about making a difference through consultation.'¹¹⁹ This they attribute to an 'often poorly managed' connection between consultation and public involvement in decision making. Citing an Audit Commission survey of 'best practice' local authorities, they point out that 'three-quarters failed to link the results of consultation to decision-making processes.'¹²⁰

Finally, just as public expectations can be too high and too low, so can expectations of the public themselves be unrealistic. If the public value approach demands levels of citizen involvement that it cannot deliver, public value cannot be created. In this, Kelly et al are surely right when they conclude that we require: '[A] balance... that involves the public sufficiently for policy to reflect their preferences, yet does not overburden them with requirements of participation they cannot fulfil.'¹²¹

¹¹⁹ Kelly G, Muers S and Mulgan G, *Creating Public Value: An analytical framework for public service reform*, London, Prime Minister's Strategy Unit, Cabinet Office, 2002

¹²⁰ Ibid

¹²¹ Ibid

4. Measuring public value

If public value is to be an effective driver of public service reform, it requires a measurement framework that enables public managers to recognise when and the extent to which such value is being created. It is assumed that public services should be underpinned by performance measures that enable evaluations of effectiveness and guide improvement. The shift from 'administration' to 'management' of public services, the rise of consumer expectations of service delivery and the need for service innovations all require measurement. Such measurement is a pivotal element of any discussion of public service reform and certainly for the public value approach. This section explores the ways in which performance measurement can fully play its part in the public value dynamic, how it can create public value and also destroy it.

4.1 Why and what to measure

Osborne and Gaebler, in an often-cited justification for public sector performance measurement, present a series of reasons for measurement:

- If you don't measure results, you can't tell success from failure
- If you can't see success, you can't reward it
- If you can't reward success, you're probably rewarding failure
- If you can't see success, you can't learn from it
- If you can't recognise failure, you can't correct it
- If you can demonstrate results, you can win public support
- What gets measured gets done.¹²²

Of course, good reasons to measure do not help clarify what is to be measured nor indeed how to measure it. These difficulties ensure that any practical system of performance measurement is not and cannot be value-neutral. Rather, from inception to application, measurement criteria and methods are subject to a range of political, bureaucratic and professional interests that determine support for, resistance to and manipulation of measurement frameworks. In terms of what is to be measured, as is made clear in Box 5 on the next page, there is no shortage of suggestions.

The wide variety of reasons to measure performance and of what can be measured offer rich pickings for a public value approach to performance measurement. However, public value requires us to add another reason to measure performance: for here it must also create public value.

¹²² Osborne D and Gaebler T, *Reinventing Government: How the entrepreneurial spirit is transforming the public sector*, Wokingham, Addison-Wesley, 1992

Box 5: Ways of measuring service performance

Effectiveness indicators reflect how well the outputs of a service achieve the stated objectives of that service. Indicators of the effectiveness of outputs can be grouped according to desired characteristics that are considered important to the service. These desired characteristics include access, appropriateness and/or quality.

Efficiency indicators reflect how well services use their resources to produce outputs and achieve outcomes. Government funding per unit of service is typically used as an indicator of technical efficiency and is a more meaningful input to public policy when it takes into account the full cost to government, accounting for all resources consumed in providing the service. Problems can occur when some costs of providing services are overlooked or treated inconsistently (for example superannuation, overheads or the user cost of capital).

Output indicators refer to the services delivered. Output indicators can be grouped according to the desired characteristics of a service – for example accessibility, appropriateness or quality – which may differ across services.

Outcome indicators provide information on the impact of a service on the status of an individual or a group, and on the success of the service area in achieving its objectives. The outcomes of a service should align with the objectives of the service. Outcomes are often difficult to measure. There is a correlation between some outputs and outcomes, and measures of outputs can be proxies for measures of outcomes.

Quality indicators reflect the extent to which a service is suited to its purpose and conforms to specifications. Information about quality is particularly important for performance assessment when there is a strong emphasis on increasing efficiency. To the extent that aspects of service delivery (such as inputs, processes and outputs) conform to specifications, they are proxies for quality outputs.

Access indicators reflect how easily the community can obtain a delivered service, for example access to school education. Access has two main dimensions: timeliness and affordability. Timeliness indicators include waiting times (for example in hospitals). Affordability indicators relate to the proportion of income spent on particular services (for example out-of-pocket expenses towards the provision of childcare).

Appropriateness indicators measure how well services meet client needs. This allows for services to develop measurable standards of service need against which current levels of service can be assessed and levels of over- or under-servicing identified.

Equity indicators have two elements: horizontal and vertical. In the context of performance measurement for service delivery, horizontal equity is exhibited when everyone is allowed to access the service. Service delivery exhibits vertical equity when it accounts for the special needs of certain groups in the community and adjusts aspects of service delivery to suit these needs. This approach may be needed where geographic, cultural or other reasons might mean that some members of the community have difficulty accessing the service. Drawing attention to equity highlights the potential for trade-offs across other dimensions of performance, especially in effectiveness and efficiency. Improving outcomes for a group with special needs for example may necessitate a decrease in measured efficiency.

Source: Australian Government Productivity Commission, 2005

4.2 Clarifying intentions

In a study that explores the development of public sector performance measurement, Rustin argues that its origins:

'...lie in part in the deep mistrust of public service provision by the Conservative governments of the 1980s and 1990s. These services were regarded by them as unaccountable to the public or to consumers, and as having been "captured" by producer interests, both professional and trade union. The lack of "consumer choice" in the delivery of many public services was contrasted with its importance in the spheres of private consumption.'¹²³

Performance measurement practices were therefore used in order to '...bring market or quasi-market disciplines to bear on public services...to bring about greater public accountability...[and] to enhance and enforce competition and consumer choice.'¹²⁴

For Rustin, this has resulted in three discernable intentions behind the development of performance measurement in the UK. It:

1. 'ensures that common agreed standards of performance and output are met by institutions'
2. is a means 'to define and measure the relative or comparative performance of providers of services'
3. will 'improve quality and performance'.¹²⁵

Rustin then claims that of these three objectives, the first two have in practice been prioritised over the third. 'Improving quality through interaction with those inspected,' he argues, 'simply isn't the task of most inspection systems or the reason they were set up.'¹²⁶ The result has been to 'diminish in their importance the particular qualities of, and difference between, institutions and practices'. After all, he points out: 'It is what they have in common which is of most relevance to auditors, not what is different or unique about them.'¹²⁷ The charge here, therefore, is that when performance measurement is wrongly pursued, it does not improve services. Instead, it becomes the carrier of a quite inappropriate pressure towards standardisation. In using such measurements, the public value approach will need to ensure its use of performance measurement is creative rather than destructive of public value.

4.3 Measurement that destroys public value

Standardisation in service provision affords some protection to consumers and helps safeguard quality. Yet research suggests that it can also distort what is being measured. For example, in more complex services such as health and education

¹²³ Rustin M, 'Trust, Co-operation and Learning in Public Services: Rethinking audit and inspection,' *Renewal*, Vol 12 No 1, 2004

¹²⁴ *Ibid*

¹²⁵ *Ibid*

¹²⁶ *Ibid*

¹²⁷ *Ibid*

where measurement is very difficult, performance has been reduced to proxy measures such as waiting lists and exam results. Once again, such proxy measures fail to capture the distinctiveness of local needs and capabilities. As a result, the priorities of public institutions can become skewed towards inappropriate measures of performance that are at best only vaguely related to their ultimate objectives.

There has been significant public and media attention paid to examples of inappropriate behaviour arising from pressure to meet performance targets. In its investigation of the impact of performance targets across a range of public services, the Public Accounts Select Committee found numerous examples, including:

- Targets for outpatient waiting times at the Bristol Eye Hospital were only achieved by cancelling follow-up appointments. The hospital's clinical director estimated that 25 patients had lost their vision as a consequence of the delays to follow-up appointments that resulted.
- Patients inappropriately reclassified so that the Ambulance Service could meet its response time targets.
- Removal of wheels from A & E department trolleys and reclassifying them as beds in order to meet waiting time targets.
- School performance targets focused on GCSE results accompanying rising numbers of exclusions of disruptive pupils and hence an increase in local crime.
- Targets aimed at increasing conviction rates for criminals contradicting attempts to reduce prison overcrowding and prevent re-offending.¹²⁸

Such 'perverse outcomes'¹²⁹ erode public trust in performance measurement as an accurate representation of public sector effectiveness. Trust is further undermined by the worrying gap between how the public experiences services and how official measurements rate them. Indeed, surveys of public attitudes to public services consistently show that the overwhelming majority (60 per cent-plus) expect no improvement in service quality across the major public services in the future.¹³⁰

In trying to account for these performance measurement failures, Kennerley identifies a number of recurrent problems in the way that performance measurement has been used to effect change in the public sector. He argues that all too often:

- measurement is seen as solely for external reporting rather than for the strategic needs of the individual organisation
- measures are considered as ends in themselves rather than a means to an end (ie achieving the ultimate objective of the organisation)

¹²⁸ PASC (Public Administration Select Committee), *On Target?: Government by measurement*, Fifth Report of the Committee, HC1284, London, HMSO, 2003

¹²⁹ Ibid

¹³⁰ MORI, 'The MORI (Public Services) Delivery Index', available quarterly from <http://www.mori.com/polls/index-mdi.shtml>, 2002-05

Box 6: CPA – a lighter touch?

The Comprehensive Performance Assessment (CPA) was introduced in December 2002 as part of the government's public service reform agenda. Its aim is to provide a 'lighter touch' inspection regime in local government and to integrate existing measures of performance with a strategic orientation to service improvement.

The core process involves a combination of existing performance indicators in eight service areas, including social care, education and housing, and the use of resources with an inspection led by the Audit Commission that looks at the capacity of local authorities to manage improvement at the highest political and managerial level. The combined scores from these exercises provide an overall assessment of a local authority's performance and places it in one of five categories: excellent, good, fair, weak or poor.

Local authorities that are performing well under the CPA receive benefits in terms of reduced audit and inspection, and increased flexibilities and borrowing freedoms from central government. Those authorities that are performing poorly, however, are made subject to a more intense audit and inspection process and (under varying degrees of ministerial and civil service oversight) special management teams that aim to 'assist in the development and implementation of recovery plans'.¹³¹

For the 2005 CPA a number of significant changes were made in order to provide greater depth to the assessment of corporate performance (eg the quality of partnership working and community leadership featured for the first time) and to reduce the burden of individual service inspections (an expected significant reduction in the number of individual service inspections and a shift from yearly to three-yearly assessments of corporate performance).

CPA has been presented by the government as a means of decentralising policy. In the face of widespread criticisms of the Best Value regime in particular, the government pledged in its 2001 local government white paper to 'give councils more space to innovate, to respond in ways that are appropriate to local circumstances, and to provide more effective leadership. We will provide greater freedom for councils to borrow, invest, trade, charge and set spending priorities.'

However, it can be argued that contrary to the idea of CPA as an enabling tool for 'vibrant local democracy'¹³², it has in fact been 'an unambiguously centrally run, management-focused reform'¹³³. For Game, CPA:

'...can be seen as a direct successor to previous "managerialist" programmes – Compulsory Competitive Tendering (CCT) [and] Best Value. The central direction is the same, the concession to local priorities and considerations about as minimal, and the propensity to "take over" – or at least "engage", to use the favoured euphemism – enormously greater. Any relaxation of control is confined largely to those authorities judged, by appointed "outside experts", to be the highest performers, while those at the other end of the scale are subject to a degree of central intervention that the Thatcher/Major governments would not have contemplated.'¹³⁴

¹³¹ Game C, *Comprehensive Performance Assessment: The uniquely British approach to local government performance management*, paper presented to the Ninth International Research Symposium on Public Management (IRSPM IX), Bocconi University, Milan, Italy, 6-8 April 2005

¹³² DTLR, *Strong Local Leadership – Quality Public Services*, London, Department of Transport, Local Government and the Regions, 2001

¹³³ Game C, *Comprehensive Performance Assessment: The uniquely British approach to local government performance management*, paper presented to the Ninth International Research Symposium on Public Management (IRSPM IX), Bocconi University, Milan, Italy, 6-8 April 2005

¹³⁴ Ibid

- there are too many targets 'making it impossible to understand what the priorities of the organisation are and where attention should be focused'
- the application of inappropriate targets results in organisational priorities becoming skewed and staff alienated
- measurement is perceived to be a way of assigning blame for poor performance rather than as a tool 'to help the organisation and the people within it to learn and to support improvement.'¹³⁵

4.4 Measurement that creates public value

Interest is growing in the appropriateness and use of multi-dimensional approaches to performance measurement. The public value approach can draw strength from this development.¹³⁶ However, as Modell observes: 'Goal-directed models, such as the balanced scorecard, may continue to uphold the image of rational management, yet they often have negligible impact on operational action.'¹³⁷

If we are to treat seriously the idea that one purpose of performance measurement is to improve services (Rustin's third intention), then public institutions will need a different approach to performance measurement. Rustin suggests a 'learning model' premised on 'an alternative conception of "the public"...as representing a different kind of solidarity and commitment.'¹³⁸ This he points out is far removed from catering to individual consumers. Instead, and in keeping with public value, the orientation here is to user commitment and its mobilisation around shared values.

Now running parallel to the concerns of the public value approach, Rustin's 'learning model' of performance measurement requires institutions to shift their attention to the task of clarifying 'what is distinctive and particular about the goals of an agency or institution...to formulate these...and to identify criteria for their evaluation and assessment.'¹³⁹ Organisations and agencies are diverse and Rustin calls for this to be reflected in the measurement of their performance. Central to that measurement would be the local objectives of the organisation and the extent to which these are being met.

'Audits would be required first to report on how far institutions met basic objectives. But they would then go on to report on how well they are doing on other criteria, partly identified by the agency concerned.'¹⁴⁰

¹³⁵ Kennerley M, *Measuring Performance in the Public Sector – Learning the Lessons*, Centre for Business Performance, Cranfield School of Management, 2003

¹³⁶ Kaplan R S, *The Balanced Scorecard for Public Sector Organisations*, Cambridge, MA, Harvard Business School Press, 1999; Kaplan R S and Norton D P, *The Strategy-focused Organisation: How balanced scorecard companies thrive in the new business environment*, Cambridge, MA, Harvard Business School Press, 2000

¹³⁷ Modell S, 'Performance Measurement Myths in the Public Sector: A research note', *Financial Accountability and Management*, Vol 20 No 1, 2004

¹³⁸ Rustin M, 'Trust, Co-operation and Learning in Public Services: Rethinking audit and inspection', *Renewal*, Vol 12 No 1, 2004

¹³⁹ Ibid

¹⁴⁰ Ibid

When a 'basic' objective of an organisation is to generate user and stakeholder engagement, Rustin asserts that public scrutiny of the performance measurement process must be explicit. Here, he imagines:

'...a different kind of reporting document...which could form the basic text for "hearings" which were held in public. This might take the form of a report by an institution to its members and clients, which an inspecting body, as part of its remit, would question and discuss.'¹⁴¹

4.5 Public accountability

An orientation to public value demands that the evaluative standards we use to measure performance and direct our actions be democratically authorised. Our evaluative standards cannot be used to measure or create value until they have been so legitimated.

The public value approach to performance measurement requires organisations to focus on their own distinct objectives, to offer those objectives for public debate and authorisation and then to use those objectives as evaluative standards. In this way the dynamic of public value again reveals itself for here the measurement of public value creation is authorised.

Where authorised criteria can be built into service contracts there are opportunities to move away from the top-down imposition of poorly understood policy levers and explore instead bottom-up methods of accountability (see Box 7 below).

Box 7: Examples of public involvement in the evaluation of public services

A PFI in social housing currently being prepared for an estate in Camden has residents' groups closely involved in specifying the measures that will be used to determine payment to the PFI contractor.¹⁴²

'Quality Measuring System' in Copenhagen offers bonuses (up to 7 per cent of contract value) to the best-performing bus operators. The points system used gives twice the weighting to measures of passenger satisfaction (as measured through quarterly surveys) as it does traditional 'objective' measures of performance. Studies show that this system has generated significant increases in satisfaction.¹⁴³

Finally, and perhaps inescapably, any appeal to public value will confront the problems of accurate definition and measurement. Non-financial measures of value stubbornly resist such accuracy. Yet loose definitions lead to other difficulties. As Elstein shows in his critique of the BBC's appeal to public value, public broadcasters seek to distinguish what they do as unique, and as uniquely responsive to public values. Yet the lack of clarity around precisely what is public

¹⁴¹ Ibid

¹⁴² Kelly G, Muers S and Mulgan G, *Creating Public Value: An analytical framework for public service reform*, London, Prime Minister's Strategy Unit, Cabinet Office, 2002

¹⁴³ Bentley T, Kaye A, MacLeod P, O'Leary D and Parker S, *A Fair Go: Public value and diversity in education*, DEMOS and Education Foundation, 2004

(product? organisational sector?) and to what it is responsive (consumer choice? refined preference?) means that commercial broadcasters can equally claim to be creating public value simply by appeal to industry-standard metrics of audience share.¹⁴⁴

The mechanism for clarifying such inaccuracies can only be informed public scrutiny and debate. Indeed as democrats it is precisely because we do not know what is 'good' for others that we must so frequently interact with them.

Box 8: Measuring the performance of public sector broadcasting

The most often quoted measures of performance in public sector broadcasting are reach (the number of viewers that are exposed to a given programme) and share (the viewers watching/listening to a given programme as a percentage of the overall universe of households tuned in at that time).

While reach, as a metric, addresses a fundamental tenet of most public service broadcasting – universal access, free at the point of use, satisfying the widest range of audiences possible – share is arguably a less appropriate measure. While it allows comparison of programme popularity with other commercial sector programmes, it does not capture whether the consumers valued the quality of the programming. If public service broadcasting is to deliver citizen-based benefits as well as the Reithian objectives of educating, informing and entertaining, then a measure that captures value or enjoyment might be more appropriate than the traditional ratings measures.

To that end, a range of alternative measures is available:

- **Audience appreciation:** surveys measuring the extent to which the audience appreciates the range, balance, quality, diversity and social values communicated by a public service broadcaster.
- **Audience recall:** the extent to which someone cites a given programme as being memorable, also captures enjoyment to some extent.
- **Perceived value for money:** another attitudinally-based measure that captures the extent to which consumers perceive and value the consumer surplus that a public service broadcaster can deliver.
- **Willingness to pay:** (as a stated preference) captures quantitatively the amount the consumers would be willing to pay as a subscription for the public service broadcasting services.

These measures represent performance measures that are distinctive from the ratings-biased measures applied to commercial broadcasters and hence more appropriate to the objectives and funding methods of the public service broadcaster.

The input-output-outcome model could be adapted to track the consumer benefits of public service broadcasting, with the inputs capturing the resources delivered and outcomes relying less on capturing the quantity of hours viewed, but more on the audience perception of quality and satisfaction.

Source: Hastings, 2004

¹⁴⁴ Elstein D, *Building Public Value: The BBC's new philosophy*, London, Institute of Economic Affairs, 2004

Conclusion

As an approach to the reform of public services, public value can help to defend the principles of public service and do so according to a more expansive set of values than the merely economic.

However, the ability to translate public value into practical mechanisms of service reform remains a significant challenge. Politicians and senior public managers are crucial actors in this process, and the successful development of the public value approach requires a marked change in the way in which we understand their respective roles, the environment in which they operate and the conflicting pressures they face.

In decentralised forms of governance, relationships between elected politicians and senior public managers no longer fit the traditional roles of politics on the one hand and administration on the other. Rather, as we have seen, these relationships are increasingly defined in terms of the reciprocal influence they bring to bear on each other as facilitators of reforms that are authorised by the public. What the public wants and needs public organisations to provide in a way that involves them in the process of authorisation becomes key. Public managers have a clear role to play in this process.

The goal of public management in a public value framework is to ensure that organisations are more responsive to what the public wants and needs. Organisations need to develop the capacity to listen to and refine the preferences of the public – what we term ‘institutional responsiveness to refined preferences’. In this respect it moves away from narrow conceptions of performance management or economic evaluations that attempt to sum the social, economic or environmental impact of an institution, towards an analysis of the capacity of organisations to deliver public value.

This new approach encourages public managers to look at the capacity of an organisation to listen to and engage with the public as users and as citizens who may derive a benefit from a service even though they may not use it but from the fact others are able to. The ‘refinement of preferences’ is important here: it doesn’t mean that an organisation should just give the public what it wants, but that it should undertake activities that shape those preferences, for example via deliberative engagement, better information, educational initiatives, by being more transparent and being visionary about the services it provides. Organisations should seek ways in which they can measure their capacity to be more responsive to the public they serve, and to understand and refine the public’s preferences for what is delivered on their behalf.

Public value, politics and public management

If public value reflects the refined preferences of democratic citizens, then so does it require politicians and public managers to seek the active participation of and deliberation by the public in helping to shape the desired outcomes of services.

Here, public value can inform the conflicting value trade-offs that regularly confront politicians and public managers; so contributing to their reflective practice. Research suggests that active facilitation of the authorisation environment also clarifies the purposes of accountability because it orients the service provider to the creation of public value rather than towards the centralised disciplinary control so often exerted through audit and inspection. While there are undoubted limits to the participatory input of citizens it remains the case that where such inputs are able to clarify what public services do and should do, public value can inform decisions about resource allocation.

The successful creation of public value requires that service providers are themselves aligned to the task of value creation in this wider sense. Here, clarity around what public value actually is remains crucial. The literature reviewed here suggests that public value provides conceptual resources that can enable organisations to orient themselves strategically to the goal of value creation, to focus on this as a core mission and to cascade that mission throughout the organisation. Public service organisations not only derive benefit in terms of strategic purpose and managerial objectives, but also by providing a basis on which to educate others about what they do, ie how they create public value.

Public value recognises and reaffirms the still-important idea that public services are marked by a distinctive ethos. As the literature suggests, conceptions of a public sector ethos are at best vague and for many organisations bear little relation to their strategic goals. Public value offers the potential for public managers to ensure that the distinctive ethos of public service providers is aligned closely to their strategic orientation and reflects the importance of the authorising environment to which they are subject.

It is also clear that for public value to be an effective driver of public service reform, a measurement framework is required that enables politicians, managers and the public to recognise when and the extent to which such value is being created. In the face of rising public expectations and demands for accountability, public value must be subject to effective performance measurement. However, as this literature review makes clear, performance measurement can also result in the active destruction of public value – even when the intention is quite the opposite. Any attempt to use performance measurement as an effective tool to engender service improvement thus requires that we clarify the intentions behind its development. As we have seen, improvements to quality and service is just one

Public value, politics and public management

motivation for the development of performance measurement systems. Where other motivations are present we must be aware of their potential to pursue very different outcomes than those geared to the active creation of more public value.

At least one way of ensuring that performance measures of public value are fit for purpose – ie that they enable public value creation – is to ensure that the evaluative standards used to measure performance and direct organisational activity are themselves authorised democratically. Research indicates that a public value approach to performance measurement demands that service providers focus on their own distinct objectives, that they offer those objectives for public debate and that they use those authorised objectives as evaluative standards.

The public value approach offers significant advances to those who seek to reform public services in the UK. Its forceful articulation of the value of public services affords evidence and argumentation for their defence and for their continued improvement. Its concentration on the authorisation of performance metrics can focus organisational goals, both for service providers and recipients. Yet despite these advances, public value cannot avoid current debates around the need for and limits of citizen engagement.

Bibliography

Acton T and Lilleker D, 'Listening to the Public? The influence of opinion polls on MPs', paper presented at Elections, Public Opinion and Parties (EPOP) fifteenth annual conference, Department of Politics and International Relations, University of Oxford, 10-12 September 2004

Allison M and Hartley J, *Generating and Sharing Better Practice: Reports from the Better Value Development Programme Workshops*, April–October 1999, London, Department of the Environment, Transport and the Regions, 2000

Anderson I, *Foot and Mouth Disease 2001: Lessons to be learned*, London, Stationery Office, 2002

Anthony R, 'Risk Communication, Value Judgements and Public Policymaker Relations in a Climate of Public Sensitivity Toward Animals: Revisiting Britain's foot and mouth crisis', *Journal of Agricultural and Environmental Ethics*, No 17, 2004

Aristigueta M P, *Managing for Results in State Government*, Westport, CT, Quorum, 1999

Audit Commission, *Best Value and Audit Commission Performance Indicators for 2000/2001*, London, Audit Commission, 1999

Audit Commission, *On Target: The practice of performance measures*, London, Audit Commission, 2000

Australian Government Productivity Commission, *Report on Government Services 2005*, report of the Steering Committee for the Review of Government Service Provision, Canberra, 2005

Barnes M, *Building a Deliberative Democracy: An evaluation of two citizens' juries*, London, Institute for Public Policy Research, 1999

Barrett S and Fudge C (eds), *Policy and Action*, London, Methuen, 1981

BBC, *Building Public Value: Renewing the BBC for a digital world*, London, British Broadcasting Corporation, 2004

Behn R, *Leadership Counts: Lessons for public managers*, Cambridge, MA, Harvard University Press, 1991

Bentley T, *Everyday Democracy: Why we get the politicians we deserve*, London, DEMOS, 2005

Bentley T, Kaye A, MacLeod P, O' Leary D and Parker S, *A Fair Go: Public value and diversity in education*, London, DEMOS and Education Foundation, 2004

Bentley T and Wilsden J (eds), *The Adaptive State: Strategies for personalising the public realm*, London, DEMOS, 2003

Blaug R, Horner L and Lekhi R, *Public Value, Citizen Expectations and User Commitment*, London, The Work Foundation, 2006

Public value, politics and public management

Bohret C, 'The Tools of Public Management' in Eliassen K A and Kooiman J (eds), *Managing Public Organizations*, Sage, Newbury Park, CA, 1993

Borins S, 'Loose Canons and Rule Breakers, or Entrepreneurial Leaders? Some evidence about innovative public managers', *Public Administration Review*, Vol 60 No 6, 2000

Boyne G, Gould-Williams J, Law J and Walker R, 'Plans, Performance Information and Accountability: The case of best value', *Public Administration*, Vol 80 No 4, 2002

Bozeman B, 'Public-Value Failure: When efficient markets may not do', *Public Administration Review*, Vol 62 No 2, pp145-161, 2002

Brignall S and Modell S, 'An Institutional Perspective on Performance Measurement and Management in the "New Public Sector"', *Management Accounting Research*, Vol 11 No 3, 2000

Cabinet Office, *Modernising Government*, Cmnd 4310, London, Stationery Office, 1999

Cameron W, 'Public Accountability: Effectiveness, equity, ethics', *Australian Journal of Public Administration*, Vol 63 No 4, pp59-67, 2004

Cohen S and Eimicke W, 'Is Public Entrepreneurship Ethical?', *Public Integrity*, Vol 1 No 1, pp54-74, 1999

Corrigan P and Joyce P, 'Reconstructing Public Management: A new responsibility for the public and a case study of local government', *International Journal of Public Sector Management*, Vol 10 No 6, pp417-432, 1997

Crossan M M, Lane H W and White R E, 'An Organizational Learning Framework: From intuition to institution', *Academy of Management Review*, Vol 24, pp522-537, 1999

Curtain R, *How Citizens Can Take Part in Developing and Implementing Public Policy*, Australian Public Policy Research Network, 2003

Dahl R A, *Democracy and its Critics*, New Haven, Yale University Press, 1989

Delap C, 'Citizens' Juries: Reflections on the UK experience' in Pimbert M and Wakeford T (eds), *Deliberative Democracy and Citizen Empowerment*, PLA Notes 40, London, IIED, 2001

Denhardt R B and Denhardt J V, 'The New Public Service: Serving rather than steering', *Public Administration Review*, Vol 60 No 6, pp549-559, 2000

Department of the Environment, *The Conduct of Local Authority Business: The government response to the report of the Widdicombe Committee of Inquiry*, Cmnd 433, HMSO, London, 1988

DETR, 'Local Government Act 1999: Part 1 Best Value', Circular 10/99, London, 1999

DETR, *Local Leadership, Local Choice*, Cmnd 4298, London, Stationery Office, 1999

Public value, politics and public management

- DETR, *Modern Local Government: In touch with the people*, Cmnd 4014, London, Stationery Office, 1998
- DETR, *Modernising Local Government: Improving local services through Best Value*, London, DETR, 1998
- DETR, *The Local Government Act 1999*, London, Stationery Office, 1999
- Dewey J, *The Public and its Problems*, Athens, Ohio University Press, 1927
- DTLR, *Strong Local Leadership – Quality Public Services*, London, Department of Transport, Local Government and the Regions, 2001
- Duncan I J H and Fraser D, 'Understanding Animal Welfare' in Appleby M C and Hughes B (eds), *Animal Welfare*, Wallingford, UK, CAB International, 1997
- Dunn J, *Western Political Theory in the Face of the Future*, Cambridge, Cambridge University Press, 1979
- Ecorys Research and Consulting, *Maatschappelijke Kosten en Baten van Gratis Busvervoer Tussen Leiden en Den Haag*, The Hague, NL, 2005
- Elstein D, *Building Public Value: The BBC's new philosophy*, London, Institute of Economic Affairs, 2004
- Elster J, 'The Market and the Forum: Three varieties of political theory', in Elster J and Hylland A (eds), *Foundations of Social Choice Theory*, Cambridge, Cambridge University Press, 1986
- Feldman M and Khademian A, 'To Manage is to Govern', *Public Administration Review*, Vol 62 No 5, pp 541-554, 2002
- Fozzard A, *The Basic Budgeting Problem: Approaches to resource allocation in the public sector and their implications for pro-poor budgeting*, Working Paper No 147, Centre for Aid and Public Expenditure, Overseas Development Institute, 2001
- Fraser N, 'Rethinking the Public Sphere: A contribution to the critique of actually existing democracy', *Socialist Review*, Vol 4, 1989
- Freedland J, 'A Catalogue of Failures that Discredit the Whole System: There must be a public inquiry into the foot and mouth saga', the *Guardian*, 2001
- Game C, *Comprehensive Performance Assessment: The uniquely British approach to local government performance management*, paper presented to the ninth International Research Symposium on Public Management (IRSPM IX), Bocconi University, Milan, Italy, 6-8 April 2005
- Goodsell C T, 'Reinvent Government or Rediscover It?', *Public Administration Review*, Vol 53 No 1, 1993

Public value, politics and public management

- Grigg P and Mager C, *Public Value and Learning and Skills: A stimulus paper*, London, Learning and Skills Development Agency, 2005
- Habermas J (translated by Burger T), *The Structural Transformation of the Public Sphere: An inquiry into a category of bourgeois society*, Cambridge, MA, MIT Press, 1981
- Hambleton R, 'City Leadership and the New Public Management – A cross-national analysis', paper to the National Public Management Research Conference, Georgetown Public Policy Institute, Georgetown University, Washington DC, 9-11 October 2003
- Hambleton R, *Modernisation: Developing managerial leadership*, Merseyside, SOLACE, 1999
- Hastings C, 'Discussion of Performance Measures in Public Service Broadcasting', *New Information Perspectives*, Vol 56 No 5, pp301-307, 2004
- Hine D, 'Codes of Conduct for Public Officials in Europe: Common label, divergent purposes', paper delivered at the International Conference on Governance and Political Ethics, Centre for Canadian Governance and Citizenship, University of Montreal, 14-15 May 2004
- Hirst P, 'Associational Democracy' in Held D (ed), *Prospects for Democracy: North, South, East, West*, Cambridge, Polity Press, 1993
- HM Government, *The Government Annual Report*, London, The Stationery Office, 2000
- Hood C, 'A Public Management for All Seasons?', *Public Administration*, Vol 69 No 1, pp3-19, 1991
- Hood C, 'Public Service Bargains and Public Service Reform' in Guy P and Pierre J (eds), *Politicians, Bureaucrats and Administrative Reform*, London, Routledge, 2001
- Hood J, 'Competition and safety in UK local authorities: An empirical study', *Public Management Review*, Vol 3 No 4, pp575-592, 2001
- HSHPRU (Health Services and Health Policy Research Unit), *Public Services, Private Finance: Accountability, affordability and the two-tier workforce*, London, UNISON, 2001
- Jacobs J, *Systems of Survival*, New York, Random House, 1993
- Jupp V and Younger M P, *A Value Model for the Public Sector*, *Accenture Outlook*, No 1, 2004
- Kaplan R S, *The Balanced Scorecard for Public Sector Organisations*, Cambridge, MA, Harvard Business School Press, 1999
- Kaplan R S and Norton D P, *The Strategy-focused Organisation: How balanced scorecard companies thrive in the new business environment*, Cambridge, MA, Harvard Business School Press, 2000
- Kaplan R and Norton D P, 'Transforming the Balanced Scorecard from Performance Measurement to Strategic Management: Part 1', *Accounting Horizons*, Vol 15 No 1, pp87-104, 2001

Public value, politics and public management

- Kaplan R and Norton D P, 'Transforming the Balanced Scorecard from Performance Measurement to Strategic Management: Part II', *Accounting Horizons*, Vol 15 No 2, pp147-160, 2001
- Keane J, *Democracy and Civil Society*, London, Verso, 1988
- Kearns I and Taylor M, *Public Value and Electronic Service Delivery*, London, IPPR, 2003
- Kelly G, Muers S and Mulgan G, *Creating Public Value: An analytical framework for public service reform*, London, Prime Minister's Strategy Unit, Cabinet Office, 2002
- Kennerley M, *Measuring Performance in the Public Sector – Learning the Lessons*, Centre for Business Performance, Cranfield School of Management, 2003
- Kernaghan K, 'The Post-Bureaucrats Organisation and Public Service Values', *International Review of Administrative Sciences*, Vol 66 No 1, pp91-104, 2000
- Kettl D F, *Sharing Power: Public governance and private markets*, Washington DC, The Brookings Institution, 1993
- Kettl D F, *The Global Management Revolution: A report on the transformation of governance*, Washington DC, Brookings Institution, 2000
- Kettl D and Milward B (eds), *The State of Public Management*, Baltimore, MD, Johns Hopkins University Press, 1996
- Knott J and Miller G, *Reforming Bureaucracy: The politics of institutional choice*, New York, Prentice Hall, 1987
- Kooiman J, *Modern Governance*, Newbury Park, CA, Sage, 1993
- Kooiman J and van Vliet M, 'Governance and Public Management' in Eliassen K A and Kooiman J (eds), *Managing Public Organizations*, Newbury Park, CA, Sage, 1993
- Lansley S, Goss S and Wolmar C, *Councils in Conflict: The rise and fall of the Municipal Left*, Basingstoke, Macmillan, 1989
- Leach S, Stewart J and Walsh K, *The Changing Organisation and Management of Local Government*, Basingstoke, Macmillan, 1994
- Leadbeater C, *Personalisation Through Participation: A new script for public services*, London, DEMOS, 2004
- Linder J C and Brooks J D, *Transforming the Public Sector*, *Accenture Outlook*, No 2, 2004
- Local Government Management Board, *Fitness for Purpose: Shaping new patterns of organisation and management*, Luton, Local Government Management Board, 1994
- Longley M, 'Incommensurate Paradigms? Bridging the divide between technocrats and the lay public in health care planning: recent experience from Wales', *International Journal of Consumer Studies*, Vol 25 No 3, pp255–264, 2001

Public value, politics and public management

Lynn L E and Heinrich C (eds), *Governance and Performance: New perspectives*, Washington DC, Georgetown University Press, 2000

Martin S, 'Leadership, Learning and Local Democracy: Political dimensions of the strategic management of change', *International Journal of Public Sector Management*, Vol 10 No 7, pp534-546, 1997

Martin S and Davis H, 'What Works and For Whom? The competing rationalities of "Best Value"', *Policy & Politics*, Vol 29 No 2, pp465-475, 2001

Martin S J, Davis H, Bovaird A G, Downe J, Geddes M N, Hartley J F, Lewis M, Sanderson I and Sapwell P, *Improving Local Public Services: Final evaluation of the Best Value pilot programme*, London, Stationery Office, 2001

McCrudden C, 'Using Public Procurement to Achieve Social Outcomes', *Natural Resources Forum*, Vol 28, November 2004

McCubbins M and Schwartz T, 'Congressional Oversight Overlooked: Police patrols versus fire alarms', *American Journal of Political Science*, Vol 28 No 1, pp165-179, 1984

McGuigan J, 'The Cultural Public Sphere', inaugural lecture, Loughborough University, 12 May 2004, originally commissioned as a chapter for the book, *Spheres of Influence – The Public Sphere from Shakespeare to Habermas*, edited by Benchimol A and Maley W, 2004

Miller G, 'Above Politics: Credible commitment and efficiency in the design of public agencies', *Journal of Public Administration Research and Theory*, Vol 10 No 2, pp289-327, 2000

Modell S, 'Performance Measurement Myths in the Public Sector: A research note', *Financial Accountability and Management*, Vol 20 No 1, 2004

Moe R, 'The Emerging Federal Quasi Government: Issues of Management and Accountability', *Public Administration Review*, Vol 61 No 3, pp290-312, 2001

Moe T, 'The Politics of Structure Choice: Toward a theory of public bureaucracy' in Williamson O E (ed), *Organization Theory: From Chester Barnard to the present and beyond*, Oxford, Oxford University Press, 2005

Moore M, *Creating Public Value: Strategic management in government*, Cambridge, MA, Harvard University Press, 1995

Moore M H, *The 'Public Value Scorecard': A Rejoinder and an Alternative to 'Strategic Performance Measurement and Management in Non-Profit Organizations' by Robert Kaplan*, HCNO Working Paper Series, May 2002

MORI, 'The MORI (Public Services) Delivery Index', 2002-05

Mountjoy R S and Watson D J, 'A Case for Reinterpreted Dichotomy of Politics and Administration as a Professional Standard in Council-Manager Government', *Public Administration Review*, Vol 55 No 3, pp231-239, 1995

Public value, politics and public management

- Mouritzen P E and Svava J H, *Leadership at the Apex: Politicians and administrators in Western local governments*, Pittsburgh, University of Pittsburgh Press, 2002
- Mulgan G and Albury D, *Innovation in the Public Sector*, Prime Minister's Strategy Unit, UK, 2003
- ODPM, *Public Participation in Local Government: A survey of local authorities*, London, Office of the Deputy Prime Minister, 2002
- Office of Public Service Reform, *Reforming Our Public Services: Principles into practice*, London, OPSR, 2002
- OPM, *A Good Governance Standard for Public Services*, London, Independent Commission on Good Governance in Public Services, 2005
- OPM, *Overview of Current Governance Structures and Guidance for Public Services*, London, Office for Public Management, 2004
- Osborne D and Gaebler T, *Reinventing Government: How the entrepreneurial spirit is transforming the public sector*, Wokingham, Addison-Wesley, 1992
- Parry G and Moyser G, 'More Participation, More Democracy?' in Beetham D (ed), *Defining and Measuring Democracy*, London, Sage, 1995
- Parston G, *Managing for Social Result*, OPM, 1998
- PASC (Public Administration Select Committee), *On Target?: Government by measurement*, Fifth Report of the Committee, HC1284, London, HMSO, 2003
- Pateman C, *Participation and Democratic Theory*, Cambridge, Cambridge University Press, 1970
- Pattie C, Seyd P and Whiteley P, *Citizenship in Britain: Values, participation*, Cambridge, Cambridge University Press, 2004
- Peters G, *The Politics of Bureaucracy*, White Plains, NY, Longman Publishers, 1995
- Peters G and Pierre J (eds), *Politicians, Bureaucrats and Administrative Reform*, London, Routledge, 2001
- Peters G and Savoie D, 'Managing Incoherence: The coordination and empowerment conundrum', *Public Administration Review*, Vol 56 No 3, pp281-289, 1996
- Pollitt C, *Managerialism and the Public Services*, Oxford, Blackwell, 1993
- PSI, 'Managers and Public Sector Trade Unions', PSI Executive Committee at its November 1994 meeting
- Putnam R D, *Bowling Alone: The collapse and revival of American community*, New York, Simon & Schuster, 2000

Public value, politics and public management

- Rhodes R, 'Governance and Public Administration' in Pierre J (ed), *Debating Governance*, Oxford, Oxford University Press, 2000
- Rush M, *The Role of The Member of Parliament Since 1868: From gentlemen to players*, Oxford, Oxford University Press, 2001
- Rustin M, 'Trust, Co-operation and Learning in Public Services: Rethinking audit and inspection', *Renewal*, Vol 12 No 1, 2004
- Salmon L, *The Global Associational Revolution: The rise of the third sector on the world scene*, Johns Hopkins University, 1993/CCSS-WP-4, 1993
- Sashkin M and Sashkin M G, *Leadership That Matters*, San Francisco, Berrett-Koehler Publishers Inc, 2003
- Selden S C, Brewer G and Brudney J, 'The Role of City Managers: Are they principals, agents or both?', *American Review of Public Administration*, Vol 29 No 2, pp124-148, 1999
- Sergiovanni T J, *The Lifeworld of Leadership*, San Francisco, Jossey-Bass, 2000
- Smith G and Wales C, 'Citizens' Juries and Deliberative Democracy', *Political Studies*, Vol 48 No 1, pp51-65, 2000
- Smith R F I, 'Focusing on Public Value: Something new and something old', *Australian Journal of Public Administration*, Vol 63 No 4, pp68-79, 2004
- Steele J, *Involving People in Public Disclosure of Clinical Data: Report on research with user organisations and patients*, London, The Nuffield Trust, 2003
- Stoker G, 'Public Value Management (PVM): A new resolution of the democracy/efficiency tradeoff', unpublished paper, Institute for Political and Economic Governance (IPEG), University of Manchester, 2003
- Svara J H, 'Complementarity of Politics and Administration as a Legitimate Alternative to the Dichotomy Model', *Administration and Society*, Vol 30 No 6, 1999
- Svara J H, 'The Myth of the Dichotomy: Complementarity of politics and administration in the past and future of public administration', *Public Administration Review*, Vol 61 No 2, pp176-183, 2001
- Sweeting D, Hambleton R, Huxham C, Stewart M and Vangen S, 'Leadership and Partnership in Urban Governance: Evidence from London, Bristol and Glasgow' in Boddy M and Parkinson M (eds), *City Matters: Competitiveness, cohesion and urban governance*, Bristol, The Policy Press, 2004
- Thacher D and Rein M, 'Managing Value Conflict in Public Policy', *Governance: An International Journal of Policy, Administration and Institutions*, Vol 17 No 4, 2004
- Victorian Auditor-General, *Performance Management and Reporting: Progress report and a case study*, Melbourne, April 2003

Public value, politics and public management

Victorian Public Accounts and Estimates Committee, *Report No 34: Report of the Inquiry into Outsourcing of Services in the Victorian Public Sector*, Melbourne, March 2000

Walters L, Aydelotte J and Miller J, 'Putting More Public in Policy Analysis', *Public Administration Review*, Vol 60 No 4, 2000

Wakeford T, 'Citizens Juries: A radical alternative for social research', *Social Research Update*, No 37, Department of Sociology, University of Surrey, 2002

Wirtz V, Cribb A and Barber B, 'Understanding the Role of "the Hidden Curriculum" in Resource Allocation: The case of the UK NHS', *Health Care Analysis*, Vol 11 No 4, 2003

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording and/or otherwise without the prior written permission of the publishers. This publication may not be lent, resold, hired out or otherwise disposed of by way of trade in any form, binding or cover other than that in which it is published, without the prior consent of the publishers.

We provide:
Research
Consultancy
Leadership
Advocacy
Partnership

© The Work Foundation

Registered as a charity no: 290003

First published: November 2006

The Work Foundation
3 Carlton House Terrace
London
SW1Y 5DG
Telephone: 020 7004 7100

Email: enquiries@theworkfoundation.com

Website: www.theworkfoundation.com