



CABINET
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**Strategy Unit (SU)
Strategic Thinkers Seminar Series**

Public Value

24th September 2002

Introduction

This note is a synthesis of a SU Strategic Thinkers Seminar on the theme of public value. The aim of this seminar, one of a series organised by SU's Strategic Futures project, was to raise the concept of public value, to explain how it might be used, and to discuss related issues.

A background paper was produced for the seminar. This is posted separately on the website.

Summary of seminar debate

A summary of issues raised at the discussion is provided below. A fuller overview of the issues connected with public value is contained in the background paper. *The views that follow have not been attributed to individual participants and do not reflect the views of government.*

Definition of public value

The concept of public value is an attempt to measure the total benefits which flow from government action. Like private value, it incorporates the benefits derived from personal consumption of public services. However, it also reflects:

- the public's perception of fairness and distributional equity;
- implications of service provision for trust and legitimacy;
- the benefits arising from co-production of services; and
- the benefits arising from taking account of the needs of future generations.

Public value is not reflected in a single 'bottom line' figure. It could be considered a more complex tool for assessing the total value of government services.

Uses of public value

- Public value may be useful in providing a new language with which to talk about public sector reform with more clarity and certainty.
- It also brings concerns about political disengagement into the heart of policy making, by connecting success measures with the expressed preferences of users. This could result in changing public values being reflected more responsively and consistently in the work and objectives of government.
- The multifaceted nature of public value may help provide a more meaningful assessment of the costs and benefits of government schemes and programmes.

What we know about public value

Evidence examined in the seminar highlighted various important issues connected with what the public values in public services. The issue of trust in government was also considered.

- ❑ **What does the public value?** Whilst low crimes levels, good health care, and low cost quality housing are valued by the public in general terms, asking them about their own neighbourhoods can often highlight different priorities. Activities for teenagers, and adequate maintenance of roads and pavements emerge as ‘hidden’ priorities when people are asked about what could be improved in their own areas.
- ❑ There is a dissonance between the views of people who use public services and those who do not. Normally, those who use services are much more content with them than non-users.
- ❑ The factors that generate customer satisfaction with public services vary widely. Some service attributes are very difficult to ‘impress’ customers with (or even get them to notice) but when they are lacking, satisfaction is negatively affected. This is true of integrity – customers do not look for it or notice it but when it is lacking they tend to be highly dissatisfied. The opposite is the case with friendliness – people appreciate it when it is there but don’t seem to mind when it isn’t. The lesson to be drawn from this data is that measures of ‘public value’ should reflect the fact that customers consider it important to excel in some areas, whilst it is more important to maintain basic criteria in others.
- ❑ **How can we measure public value?** The Audit Commission has developed a set of indicators on community involvement. It is offering them to local authorities to help them better understand how they are doing on local issues that people consider a priority. .
- ❑ **What drives trust in government?** Evidence was set out highlighting the positive correlations of: trust in government with greater age; high levels of satisfaction with government delivery; and, confidence in government leadership.

Concerns raised

- ❑ Public value measures should not be based too closely on the idea of ‘civic re-engagement’.
- ❑ New metrics could create the impression that the government was trying to ‘shift the goalposts’ in order to tell the public that they were more satisfied with public services than is actually the case.
- ❑ Government had not yet fully exploited the value for money framework, and concern was expressed that public value measures might set about replacing this.
- ❑ The difficulty in ‘operationalising’ public value was highlighted by several delegates - in particular the need for a wide range of measures that could appropriately capture the value in differing public services.
- ❑ There appears to be a danger that new public value measures could mean a growth in monitoring and auditing exercises – contrary to current government aims to reduce these burdens.
- ❑ There is clear potential for conflict between different aspects of value, making decisions on priorities more difficult.

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