



# Achieving public value

A Policy Network Paper

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### **About the University of Central Lancashire**

*In 1828, the University of Central Lancashire was founded in Preston as the Institution for the Diffusion of Knowledge. 'Ex solo ad solem', or in translation, 'From the Earth to the Sun', has been its motto ever since – helping talented people from all walks of life to make the most of their potential. Today Central Lancashire is one of the UK's largest universities with a student and staff community approaching 38,000. Internationally the University has academic partners in all regions of the globe and it is on a world stage that the first class quality of its education was first recognised. In 2010, the University became the first UK modern higher education institution to appear in the QS World University Rankings. In 2016, the Centre for World University Rankings estimated Central Lancashire to be in the top 3.7 percent of all worldwide universities, highlighting the progress the institution has made in providing students with real-world learning experiences and reflecting the institution's broad pool of academic talent.*

### **About the Applied Policy Science Unit (APSU)**

*The Applied Policy Science Unit (APSU) is an independent political science research unit at the University of Central Lancashire (UCLan). The APSU's mission is to make an original and independent contribution to policy and its implementation. This unit undertakes academic research, consultancy and dissemination in the field of political science with a special focus upon the application of current policy problems. The APSU involves, as advisors, individuals who are professionally involved in politics, policy and government.*

### **About the Samuel Lindow Foundation**

*The Samuel Lindow Foundation is an independent educational charity operating since February 1992. The Foundation works with its education partner and member, the University of Central Lancashire, to conduct and publish research into real problems facing real people in the real world. The Foundation seeks to advance the education of the public, and to do this it conducts research, publishes the results and is establishing an educational institution in West Cumbria, and by doing these the Foundation aims to secure real public benefit. This institution is centred upon, but not limited to, the Foundation's physical buildings on the Westlakes Science Park, in Moor Row, Cumbria.*

## 1. Preface

**Dr Rick Wylie**

This pamphlet has been published in a collaboration between Policy Network and the Samuel Lindow Foundation. It is part of a longer project in public value management in UCLan's Lancashire School of Business and Enterprise.

For many years, we have worked in applied policy science at the Westlakes Science Park in Cumbria in the field of attitudes, beliefs and values and also in perceived risk, especially as associated with large-scale infrastructure policies and projects in regional settings.

Following a series of three conferences on public value, the Trustees of the Samuel Lindow Foundation recognised the relevance of public value, both in identifying the wider social aspects of large-scale projects and policies, and in achieving the charitable objects of the Foundation.

Public value is, essentially, what the public values. Our approach recognises the social nature of human existence and the wider social contribution, or potential, of organisations undertaking projects and policies in public, private and social sectors. Organisations in the public, private and social sectors do many things, and create financial and economic value in the performance of their activities, but they also perform tasks of civil value and contribute to the public sphere creating public value.

Some years ago David Easton (1963) wrote that 'Politics is the authoritative allocation of values...' and he placed values at the heart of the political and, by extension policy, process. Today the public-facing and impactful nature of the activities of private and social sector organisations are also widely recognised, as are the legitimising impact on those organisations of wider public value. Today, in the private sector many organisations talk about their values and reach beyond the balance sheet for their output and impact (though few research or recognise their public value).

A public value (PV) approach reflects the social nature of our existence and the wider-than-economic contribution of institutions and activities to the public sphere. PV uses a conception of value beyond the results of trading and the requirements of legal and regulatory obligations and instead focuses upon human values – our fundamental motivations and psychological drives, which define what individuals want, think and do. Essentially, values are psychological constructs they are motivations shaping our interactions with the wider world (though our experience of the wider world significantly influences our values).

One of the key elements of values is their relational origin and qualities. Humans are essentially social creatures and many of our human values are realised through a dialogue between individuals and their social setting. The public sphere, upon which we draw in our daily lives, emerges from these interactions and dialogue. From an organisational standpoint, public value is also created by the interaction between organisations and their wider social, cultural and political settings and an appreciation of this is key to understanding and optimising public value among organisations in public, private and social sectors.

## 2. Measuring and maximising public value

**Dr Rick Wylie**

### Introduction

Public value management is an issue of great concern whenever we think of public spending in particular. Achieving the greatest value in the use of a finite, collective resource such as taxpayers' money is an obligation upon the state. This issue requires another way of thinking, beyond simple value for money. Thinking only of efficiency does not prevent activities not aligning with the priorities of the public. In short, you can very efficiently waste public money. However, so too can private enterprises undertake activities which are contrary to, or actively damaging of, the interests of people more broadly. Understanding these issues, and countering them, requires a new approach, and this is what we are developing through collaborating with organisations in a number of case studies to refine our novel approach to public value management.

### The impetus for our work

The treasury green book, which is the central document for public spending and value in the UK, states that value cannot simply be inferred from market prices. Further to that, a specific report by Sir Michael Barber commissioned by the treasury argued that the government needs to track how they turn public money into results for citizens. The non-monetary value of things is important to us. It's easy for a public or private organisation to say, 'well our salary bill is this, and we do this socio-economically, we give pianos away to village halls in the vicinity of our large sites, and surely that discharges our public value' but it's not quite enough. An MIT study some years ago found that a country's aggregate level of subjective wellbeing accounts for more of the variance in government vote share than standard macro-economic variables. So, public value is about more than money.

### Values

The approach we are developing here very much focuses on the public sphere, where we live, where we interact, where we work, where we have friends, where we connect and where we access cultural resources. The public sphere is where the web of values resides which you might argue places organisations, experiences and interactions.

Thinking of values themselves, and in this very quick introduction, I would just say that they are enduring. The thing about values is their enduring nature, it is not just an attitude, but arguably a value is a belief upon which one acts by preference. They are very contextual, they relate to modes of conduct, the way people behave about things, think about things, and the end states that people desire and work towards. They are forceful, they are very impactful, they shape attitudes and behaviours, they underlie pretty much everything we do, but you cannot actually say, 'well there's your value, I'll just have a look at your value there', it's in the black box if you like, they cannot be surgically removed, it's all inside the mind.

The crucial thing is that values are developed and played out in the public sphere, where people come from, where they're going to, how they're educated, who their friends are, where they work, how well-educated (crucially) they are. Values have been theorised, categorised and summarised

in very many ways over many decades. Clayton Alderfer categorised them into three sets of broad values; existence, relatedness and growth. Everything a human is can be argued in terms of fundamental existence such as physiological needs, relationships with people, organisations, friends, family, these types of things, and growth of the individual looking to self-develop and self-realise and to actually get on in life. Abraham Maslow's famous, or infamous, categorisation had five groups of values. Those relating to existence and physiological needs, the basics of existence. Personal security, to make sure you keep a hold of the property that you've actually required or striven to acquire. Social esteem and social relations, as Ruskin said, there's no wealth but life, if you have all the money in the world and there's only you there, there's not a whole lot you can spend it on and it won't do a lot for you, and consequently relations are crucial. Lastly, there is self-esteem and self-actualisation, relating to how people get on in life, achieve what is very important to them, and crucially the head room for people to realise where and what they want to be.

Work we did with the nuclear industry some years ago focused on the work of Ronald Inglehart, who argued that the material value is absolutely fine, but the new terrain for value politics and value policy are what he called post-material values. Very basically, Inglehart argued that once you get material values satisfied (your personal, security and physiological needs), you think of higher order things. This is all very well, but we found in work with the nuclear industry that actually no, not if you lose your job, suddenly all of this collapses back to the absolute basics. Also, in different context and different situations, your values change. As an example, we have been doing some work with the Dounreay nuclear facility in the far north of Scotland. The site is being cleared, so in about fifteen years the site will have gone. So in fact, in the Dounreay community the context within which people have lived for half a century or more will be gone, and it has huge implications for what the public value, and for the realisation of public values. One of the high priests of public value is Mark Moore and the public value account. He very much focused his take on public value at public sector managers, and argued that if you have efficient service orientated public organisation performance, you'd have a good public value. An approach we use very much in our work with a number of organisations is an individual level approach. A team from the University of St Gallen in Switzerland, led by Timo Maynardt, argues that the basic needs and values of individuals, and how they're realised in the public sphere, is a key driver of public value.

### Measuring and managing public value

Our take on the measurement and management of public value draws on all of these, and essentially for a project, we argue that individuals and publics (defined proactively for a project), secure value from the public sphere. So many of the values come from the public sphere. And the work that we're doing, looking at policies and projects, we put a policy or a project in the middle of all of this and ask a simple question, does it help or hinder individuals or publics achieving value from the public sphere? It's really interesting how we're finding that this actually is a useful measure of the performance of an organisation beyond monetary measures.

In terms of measuring and managing public value, one of the phrases in a recent treasury report was 'results for citizens', and that's very much what public value is about. Does this impact on individual lives, communities, neighbourhoods and families? Of course it's beyond, and it contextualises financial performance. This isn't to say it's not about financial performance, it is, because financial performance underpins so many things. Wasting money in one area can deprive others and prevent things which may have had a significant public value from occurring. So efficiency and the provision of financial goods remains important, but they are not the end of the journey.

Crucially though it's not just the public sector, we have been doing work with a number of organisations, and thinking with a number of other organisations, that public value is not the exclusive

preserve of the public sector. All organisations can help or hinder individuals from achieving what they value, in the wider public sphere. As an example, the University of Central Lancashire is part-owner of recently set-up a Multi-Academy Trust school in West Cumbria, building upon an Ofsted rated outstanding school, which achieves public value. Social enterprises we're dealing with achieve public value. Nuclear sites we have worked with achieve public value, particularly in their cases, often in rural locations where they tend to have dominant positions in the local economies.

Based upon the case studies that we have taken into account so far there are three key elements to the beginning of our approach. There's measuring the public value by a number of dimensions, and taking into account the operational capability of organisations that were involved within public, private and social sectors. Secondly, the next element is to consider who organises all of this? How do you get authorisation for this? Now a public value take on all of this is really, really useful organisations are finding, because if you can demonstrate you're achieving public value, that adds to the legitimacy helpful in your authorising environment, making it easier to sell and justify activities in front of bodies such as the public accounts committee. It's pretty useful to be able to say 'we've got public value nailed, we're doing this, this, this, this and this', and often from things that they're doing anyway, and our experience so far is that often organisations realise that they are achieving significant public value, but just haven't categorised it as such. Thirdly, there are the structures and so on for embedding public value. In an operational sense, public value is about the engagement and co-production of a number of organisations, often to connect and to collaborate about behaviours and activities in the public sphere. What is interesting I think now is the relationship between public values. Organisations recognise that to realise public value, they need to work with other organisations. So it's not just operational capacity of the organisation, but its operational capability, who they can collaborate with in order to maximise public value, particularly if you can actually measure public value, in the way that we're actually beginning to do.

## Summary

This essentially forms the basis of our emerging approach to public value. Crucially, it is about both measurement and management i.e. in order to manage, one needs to measure public value from the public sphere. The measurement involves a range of tools to consult salient publics. However, in our emerging work with partners we have found that one of the issues about public value measurement, particularly for complex facilities, is those being consulted need to have an awareness of what the thing actually does in the public sphere. Some of these projects are quite complex, and that takes quite an informed group or expert public.

Once we have got the measurement, having tailored the approach to the salient public and key public values, then we can begin to optimise, looking at current and new activities, and often it is actually identifying things the organisation or the policy does already, and articulate in that in the public sphere in a certain way. Then this needs to be communicated with and within the authorising environment, which organisations find rather helpful, and embedded within an optimal governance architecture, involving often public, private and social sectors with an understanding of organisational capability, as well as organisational capacity, for co-production, co-creation and coordination. But crucially, in all of these things, it is based upon a rich and diverse scholarly body of work in human values in which 'man is the measure of all things'.

**Dr Rick Wylie** is the Samuel Lindow Academic Director of the University of Central Lancashire's Westlakes Campus, Executive Director of the UCLan Applied Policy Science Unit and Principal of the Samuel Lindow Foundation

### 3. Inclusive citizenship and engagement for public value

#### Dr Stephen Haraldsen

There is a clear link between citizenship and public value, and an opportunity for a virtuous circle that the focus on citizenship can provide to public value management and that public value management can provide to achieving an inclusive citizenship.

Broadly, inclusive citizenship is the ability of all adult members of society to interact with one another as peers (Fraser 2003). A level playing field. This all sounds very simple, but of course there are many barriers to achieving this ideal in practice; race, class, gender, and many other factors which could be said to constitute our positionality as members of the public sphere. And that of course is very geographically distinguished as well, such that, for example, a working husband in the north of England may experience a privileged positionality because a result of gender and nationality but marginalised positionality because of class or regional location (Sheppard 2002). Consequently, a proactive definition of the public is very important to achieving public value. Going back to basics, inclusive citizenship requires a distribution of material resources such that people can have an independent voice and we can achieve equal respect for all participants to ensure an equality of opportunity for people to achieve social esteem among their peers. This is an inclusive citizenship.

So, where is public value is decided? It is continually contested in the public sphere by the participation of various stakeholders, and effective deliberation that engages with citizens at a high level (EY 2014). So to be very broad, there are two levels to how public values are decided and managed:

1. The broad public sphere level, where we contest what is of value; and,
2. Project-specific engagement with citizens at an operational level, to establish what they believe adds value or indeed detracts value from the public sphere.

So, to tie those two together, what does that require? The public sphere is the arena where public value is debated and decided, and it relies on various things, such as infrastructures, activities and behaviours. Debate in the public sphere relies upon, to be slightly grand, various 'modes of publicness' (Calhoun 2011) which include:

- Everyday interactions such as meeting people, running into people, talking to people;
- Occasional events, such as consultation events, protests, rallies and so on;
- Social movements centred around specific issues;
- Mass mediated outlets, such as newspapers and television news; and,
- New media, such as online social networks.

In all these, it is important to highlight the role of elites and their ability to be resisted, and the ability of resource poor groups to influence the debate about what is of value to society. This is important because there are some concerning trends. Worries about loneliness, about isolation, about the breakdown of the interaction on a day to day basis, a rise in commuting, a lot less leisure

time and other trends, which may be barriers to our effective deliberation in the public sphere. And at a local level, we have known about these issues through the contributions of people like Robert Putnam who have written at great length about the decline in civic association, which poses similar challenges to the democratic character of the public sphere at a local level. While civil society organisations are not necessarily widely representative, they are representative of special interest, and taken broadly across a range of organisations they play important part nonetheless. Indeed, if we don't have effective deliberation at that level, public opinion doesn't have the necessary authority, because it is not broadly representative. In terms of enhancing an inclusive citizenship, or preventing it being detracted from, a focus on public value should seek to address these barriers that prevent people from taking a full part in effective deliberation in the public sphere.

At an operational level, that requires certain behaviours and activities. There are a wide array of principles for engagement and decision-making, for equitable and just outcomes, and I group them into three: procedures, information and application.

First, procedures for decision making and for the way projects operate are very important, they should be consistently high-quality, developed in a tailored way for the particular affected public for that project, and with the involvement of that affected public. They should run throughout the process, not something that just happens at the start or occasionally, they should proactively seek interested and affected parties' views, without undue privilege to anyone in particular. Secondly, good procedures are important because they contribute to being able to get the right of information from the right people at the right time. That information should be freely available, and that should be a two-way commitment to giving out information and seeking it, as a means of gathering what is of value to the public. And finally, having gone to the trouble of doing all this, all this information has to be put to some use. In good participation, it has to be demonstrated why it is worthwhile for the people out there to be involved, to have their views sought or to provide them. So you have to provide a demonstrable reason for people to get involved and to believe that these processes are credible.

And what are the benefits? We commissioned polling of the UK public with some partner organisations in the private sector. It revealed that people want a greater say in the decisions affecting their country and community, which 94.9 per cent of people think is a top or a fairly important priority. While not exactly a ground-breaking finding, it is confirmation nonetheless of the message here. At the moment, talking specifically about infrastructure and housing which are key policy challenges, what would make people more interested? Public awareness, direct contact from organisations, to have the benefits clearly spelled out to them. However, our polling revealed that people do not feel that this is happening at the moment. Do you feel there's enough information about infrastructure out there? 67 per cent of people thought not. So clearly there are challenges that still need to be overcome at a project level.

Now, it should not be necessary to say all of that, because these issues have been known for years but, to be blunt about it, it has not been done well for a lot of projects a lot of the time. So there are some problems, exclusion and isolation, the capacity of the public to participate in public life as equal citizens, and therefore define what is of value. So what do we need to do that? We need to focus on public value and inclusion and inclusive citizenship. So a closer alignment of activities to public priorities, giving greater legitimacy and ideally greater success in the short and the long term.

I mean to finish on one, just one, broad procedural example: the process of development control and planning in the UK. As a former member for four years of a planning panel at a district council level, it is with no hesitation that I brand it a terrible system. It is adversarial, convoluted, it privileges experts hugely, it excludes people who don't want to sit round a table and have themselves exposed to ridicule or to be grilled. It does not work very well for gathering what is of value or what is not of value to people, and applying that to actual bricks and mortar.

It should not be necessary to have to talk about what works and what does not at an operational level for public value because, in terms of engagement, it has been known it for many years, but it is still not done very well. So we must focus on both those levels, the good processes at the operational level, and on sustaining and enhancing an environment for the effective deliberation on what is really of value at a strategic level as well. These two are not mutually exclusive, and a focus on one can benefit the other. A virtuous circle.

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## 4. The value of space for earth: The European Space Agency

**Professor Dr Kai-Uwe Schrogli**

The European Space Agency (ESA) is an intergovernmental agency of twenty-two member states. The agency is not a part of the European Union, which is a supranational body, and the two institutions have different ranges of competences, different member states and are governed by different rules and procedures. This means that the United Kingdom does not cease to be a member of ESA after leaving the European Union, and indeed the UK government has made its commitment to ESA clear, in part perhaps to signal that despite Brexit, the UK still participates in multi-lateral European activities. ESA is quite pleased to have the UK as a member state, bringing a different approach, a more down to earth approach (which is important for space activities), forcing us, when we, the French, the Germans and others, are going with big strategies, the UK membership poses the questions of where is the benefit; where do you really find the value of space? This brief contribution therefore is a case study about the value of space, or how we try to find out what the value of space actually is.

### The benefits of space for earth

There are a broad range of activities which involve space, including human space flight, satellites for various purposes (science navigation, communication and others), exploration of other planets, the rockets themselves and more. Ultimately, it is in comparison to some other sectors, rather small at between ten and fifteen billion in Europe, but it is spanning so many areas that it is difficult to find the one single value for space. The UK has a clear strategy for space, to capture 10 per cent of the commercial world market for space by 2030. Currently this stands at 3 per cent, which means tripling that in roughly fifteen years. Having one such clear goal, with one clear key performance indicator, it may make things appear easy, but they are actually not so easy.

Figure 1: The value of space



Source: European Space Agency

Figure 1 shows how the ESA has tried to identify the span of how you can see the value, and how you can define the value of space from a very utilitarian perspective or basis, which is markets, jobs, mobility: things where you have quantifiable performance indicators. On the other hand, there are elements such as knowledge, curiosity, culture and other elements which are hard to quantify. An example of particular relevance to the UK is astronaut Tim Peake. It is difficult to quantify his value in purely utilitarian terms, he provides something more, identity, authenticity as an astronaut being out there, and also fascination and inspiration for young people then going for STEM education. There are so many potential benefits between these very utilitarian and very 'higher order' values, such as security, welfare, international inter-cultural cooperation, leadership influence, prestige and sustainable development. So you see that while it is possible to reduce the value of space to one performance indicator, i.e. 10 per cent of the commercial world market for space, there is much more behind it, and you can draw from it and you can also make this work in the public sphere for debate and then also for governmental funding decisions.

ESA has been trying, together with OECD, to develop a model in showing the real value of space in terms of how much money you invest in space creates a certain amount of economic value expressed as currency. The gains vary for different aspects of space. In the area of telecommunications, for example, you can come to €20 on every single euro invested, in the area of human space flight, you will still get €1.3, and in other areas, the average is for each euro invested there is €6 economic return. Developing the model with the OECD was important, as an in-house model would lack credibility. Developing these figures and also a methodology which really works and which is credible is important, which is why this is a first in the sector and may have wider lessons to transfer to measuring the value of other projects.

### Inside the organisation

The outward facing impact of the activities we are involved with are of course vitally important, but so too is having an organisation capable of delivering these benefits. At ESA we also had a look into our organisation. An international, inter-governmental organisation can often be unpopular, typically because international, inter-governmental organisations are stereotyped, not always entirely unfairly, as slow, lazy, complex and a babble of languages and values. ESA has tried to come up also with a different way of looking at such an organisation.

Member states originally told us, you can have maximum 15 per cent of the money invested in space, in the programmes, and 85 per cent shall go to industry or research institutions. This might look an unduly high proportion not going into space, but in an agency rather than simply a cash distributor, this of course requires the establishment of test centres and infrastructures and so on, which are rather costly to be maintained. Consequently, we have created a model that goes further than the simple efficiency, and goes into the direction of effectiveness, which then comprises also the value of the space economy, as outlined here earlier. So this is not a cheap trick to have a better image of ESA in the public sphere and for the politicians who make our funding decisions, but it is really the attempt to provide new ideas and new approaches, whether they are accepted or not, to measure the quality of our work, and in the end the efficiency as well as the effect.

**Professor Dr Kai-Uwe Schrogl** is the Chief Strategy Officer of the European Space Agency

## 5. Roundtable discussion: Key themes

### Dr Stephen Haraldsen

The discussion following on from the four speakers covered a wide range of topics. There were, however, four key themes which emerged and under which many of the elements of the discussion can be grouped. The first theme concerned values, in particular the notion of 'publicness' and the requirement for each sector, public, private and social, to be able to exploit their unique characteristics for greater public value. The second theme, the notion of public value being about more than monetary concerns, reflect a frustration at the dominance of monetary considerations in decision making, and addresses the underlying rationale for a concern with public value and its general advantages as a new paradigm for public policy. The third theme concerns what the public think, how they can be engaged and the challenges of doing so within complex projects and limited budgets. The fourth and final theme, which draws together elements of the others, focuses on making better decisions and the advantages of considering alternatives.

### Publicness

Public value, as a broad concept, was discussed at length by the participants. There was a feeling that public value was not simply a management tool, but rather as one participant put it "a subtle but full frontal assault on the new public management." The public sector was discussed at length, particularly in relation to the contribution it can make to achieving greater value for the public, but also in relation to the specific traits that public service has which are valuable to the pursuit of public value.

*It's trying to reinstate the notion of publicness and the fact that democratic accountability makes this different and distinctive.*

The discussion raised the issue of 'publicness' as something which had declined over the past several decades, particularly since the changes to the public sector in the 1980s and onwards to import private sector management techniques and practices. 'Publicness', although not defined in the discussion is commonly understood as those unique values which underpin public service. However, rather than publicness being something which defines the public sector, is actually varied in its expression across its different elements and services in the sector. This is in part driven by the re-organisation of the public sector along the lines of the 'new public management', where some elements of the public sector operate like, and resemble private enterprises. The notion of publicness was felt to have been side-lined by the rise of 'traditional economics' as the overriding concern in public policy decision making.

Rediscovering publicness has potential benefits, but also a number of challenges. Reorganisation of the public sector was not without reason, and there are downsides to 'publicness'. In addition, there are transferrable elements of the values seen in parts of public service which need not be tied to the public sector. However, the public sector is able to operate in a very different way to private or social sector organisations, and all three sectors should be able to work to achieve public value.

*It's right to get away from this 'markets versus states', 'public versus private' dichotomy, we shouldn't forget having a strong, capable, well-funded public sector, makes a lot of this work possible.*

While the role of the public sector in achieving public value is highlighted strongly in the discussion, this should not limit public value as the sole preserve of the public sector. There are specific strengths and weaknesses that each sector has. As with publicness itself not being a characteristic universal to the public sector, so too is the capacity to achieve or indeed to hinder the realisation of value for the public not bound to any one sector. The private sector, as one participant noted, may be "more mobile and less spatially focused" than the public sector which, as another participant noted, can rely too heavily on employing officers rather than being open to novel but risky solutions.

*...the partnership, shared approach of getting different sectors to work together I agree is massively important.*

Rather than being the preserve of the public sector, though undoubtedly it is a key player, public value management was characterised by one participant as being "...the public version of shareholder value...". Thinking along those lines, every business, service or activity has a value it adds or detracts from the public sphere.

*The private sector's inherently a bit more mobile than the public sector, which is spatially focused...*

## Beyond money

The dominance of economic criteria, as raised earlier, for the success or failure of public policy was discussed by participants at length. Through various contributions to the discussion, it was clear that this was felt to be to the detriment of considering the much more wide ranging reality of the costs and benefits of public policy decisions. 'Traditional economics', though recognised as a broad and slightly pejorative term in the discussion, has a reductive effect on policy decisions reducing discussion "to quite narrow issues of efficiency and equity". That is not to say that efficiency is not an important goal for politicians and civil servants, just as it is in private sector. Indeed, wasting money in one area may starve other projects of the resources they need and thus be detrimental to achieving public value. However, by focusing on those narrow criteria that can be expressed monetarily is limiting.

*[Public value is]...an implicit critique of the increasing influence of conventional economics in different spheres of public policy...trying to measure the impact of money in ways are richer than I think conventional economists would.*

The scepticism of basing policy decisions on metrics that do not capture the potentially wide array of factors, including potential benefits, was reflected in a further discussion regarding econometric measures of policy impacts. Social value, which attempts to capture a wide range of policy impacts and reduce their expression to pounds and pence was not thought to overcome the same reductive issue affecting economic measures in general. In addition to the narrowness, further scepticism of social value related to the methods by which these values are calculated. The methodological opacity, and the commercial sensitivity behind which they are obscured, brought a further lack of transparency to decision making rather than opening it up to greater plurality of measurement.

*I think whether there could be a single social value is very much open to question... a single value is not going to be showing different audiences what they, what they really need to make decisions, and not only that, I think the process is made harder by a lack of transparency. And if you try and find out what impact they've had on the business cases, then you will often get the response, 'I'm afraid that's commercially confidential, so we can't share that with you'.*

The issue of transparency and decision making was taken up in greater detail in the discussion, and specifically highlighted issues with a single social value which attempts to reduce a range of impacts to a monetary figure. It was noted that a very basic level, whether one social value could ever hope to encompass such a broad potential range of project or policy impacts in their full diversity and nuance. This further highlights the problems inherent in reducing everything to monetary metrics.

*...there is a real difference between economic, social and physical impact, so they can't possibly be aggregated to one number.*

## Engagement and authorisation

*Trying to make progress, it seems to me, is only possible if you are talking directly to those who are the, who are the subjects of your policy interventions.*

Projects, plans and policies are not always straightforward. They may impact a diverse array of people in different places, even across multiple countries. The way in which governance operates in a highly mobile and networked society is diverse and diffuse. The implication of this for the governance of public value was discussed by the group, and in particular the challenge of securing public value across vast distances and complex governance arrangements. This was highlighted by the example of school building in Pacific islands, where the financial backing was from Europe, and the challenge in persuading the development agencies in Europe that this was a scheme worth funding. In this case, the perceived value to be derived from spending that money was very different on the islands compared to Europe. In both places support has to be built, but their priorities are very different.

*What I think is difficult is getting the different partners in a project to agree on what the public value is. There has to be a lot of dialogue, because especially if you're working overseas [and] you're trying to involve development agencies, who are conscious of their own support base and what their support base wants.*

This issue boils down to the challenge of dealing with multiple authorising environments, and is not uncommon even in much smaller and less geographically spread projects. The discussion raised several other examples that demonstrated the same basic challenge of securing acceptance for schemes and projects among diverse groups, and in one case highlighting where this had gone wrong and led to the collapse of a project relating to council housing in London.

*[They] lost the confidence of [their] own internal stakeholders and didn't actually sell the policy in a sensible way to the people who were meant to be its beneficiaries, or even before they got to the point of signing the deal with their private partner, working out exactly what council tenants wanted and how it might be delivered.*

The message this sent to the group, which is fairly simple, is that engagement has to be both tailored to specifically to the issue and that it has to be proactive. Involvement of those affected is how legitimacy for projects is secured. This is particularly relevant when using public funds and the confidence of a wider public is required. How, though, is this achieved? The shortfalls of engagement processes have been written about extensively for many years, and yet in this discussion many examples of how it has been handled badly, and where it has been done well and lessons can be learned, were raised.

*Public value, I think, is very, very different, because it's essentially saying that you need to engage directly with your authorising environment, you need to involve the public, that's how you get legitimacy...*

Engaging the public and stakeholders can, however, be a time-consuming and expensive business. Discussions considered how engagement can be made more effective, cheaper and easier. The Swiss model of referendums was raised, the role of opinion polling, and the more traditionally British model of four-to-five yearly elections and corresponding manifestos. However, in all these cases there remained a problem with issue-specific consultation, which was considered, at best, to be of mediocre quality in many cases. Public value, as an overarching concept, still relies upon engagement and research to discover what the public value and how projects, plans and policies might help or hinder people and communities from achieving their needs. Examples of good, and bad, practice were raised in discussion. One such example of a novel approach to engagement at a project level was the citizens assembly, citizens juries and other exercises in essentially deliberation and democracy in decision-making. Such procedures can, when done well, be more cost effective and quicker than more traditional months-long public consultations, and increase trust in decisions. The key is that engagement must be proactive and inclusive.

*If we have a look at public opinion polls and ... what we regularly find there is that citizens feel they don't get a say in infrastructure projects or building a school around the corner or these sort of things. So, what can you do, on the political level to change this and engage citizens to have their say and [get the] people's verdict? One way is obviously to become the member of a council and join a political party, but most people don't really have the time or want to invest those resources. You can change the whole political system, if you have a look at Switzerland, for instance, you find a number of referendums that some people can express their opinions on every sorts of policy... So how can we engage citizens come forward, express their opinions and take political issues more seriously? And the idea of the citizens' assembly...*

### Alternatives and better decision making

*"A National Commission for Public Debate in France ... has been pretty successful. It took a crisis point, which was major opposition and not being able to make a decision on the TGV line to the Mediterranean to actually create this... there is a budget from the government but developers also contribute. The debate process is then managed independently. It's been around for over twenty years, and about two thirds of projects that are debated have some changes made to them."*

Discussion of engagement led, and tied in, to a discussion on the consideration of alternatives. The consensus was that for many policies, plans and projects that a proper consideration of the many alternative ways to meet an objective were not, to be generous, always considered. In the public sector, the twin pressures of organisational inertia on the one hand, and repeated reorganisation on the other, led to an internalised focus on simply managing to continue current activities and not take a radical look at what is done, how that is done and whether many goals could be met differently or some activities not done at all. The example of healthcare, both in the provision of reactive medical care and proactive public health interventions were specifically raised. On the former, as one participant noted, the NHS "...haven't got any time for planning because [they're] too busy reorganising!" On the latter example, as a matter devolved to local authorities, the over-reliance on employing officers was given as an example where interventions were not necessarily best targeted at their intended subjects. One other participant noted this was an example where "... you need to talk to them and you need to understand the underlying structural causes [preventing progress]".

*What the public health team does is produce a lot of information...the investment in one person...probably costs you £80,000 a year. Would you get more public value by spending that money on making sure junior schools have football teams? A couple of thousand pounds to each school would probably get kids involved in physical activities.*

At a more specific project level, the engagement of affected parties and the public more widely as a means to secure authorisation should not be along the lines of 'decide-announce-defend', but rather be a proactive process of seeking opinions and exploring options. Discussion in the group brought up the lack of interest in options demonstrated at a range of levels for public policy making.

*There's an important area in improving decision making and finding cheaper ways of making better decisions. I think part of the problem, as soon as you look at anything, is people say, we've got to do a traffic survey that will cost half a million ... you'll find scales of money have to be committed, that totally rule out thinking about things ... [and]...there are a whole series of vested interest, dare I say consultants, who do make their money out of making things very complicated!*

The role of a public value approach was thought to be beneficial to opening up the process of decision making to considering what the public actually value. This necessarily forces a consideration of whether activities are aligned with what the public, however defined, want and need. This in turn forces a consideration of whether doing things differently would achieve greater benefit. Alternatives, particularly smaller schemes, it was felt often got crowded out by the big projects. In these cases, expert consultants have the ability to crowd out consideration of other schemes through their expertise in, dominance of and orientation towards the specific processes and procedure of decision making. This involves the imbalances of power between professional 'advocates' for projects and the general public, with the former being able to exploit their expert authority and both financial and time resources compared to the general public. Decision-making processes, through better engagement as considered earlier, need to open themselves up to the full and proper range of opinions and options to make better decisions which appropriately reflect what the public value.

Fifty years on we're still talking about bed-blocking! And I suspect it's because of this lack of unwillingness to just go beyond looking at a problem and to say, what are the practical options, what would be the impact? How do we resource them? It seems such a common sense thing to do...so I think the question is how does one get built into organisations that curiosity to look at alternatives?

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## 6. Appendix – previous events

This work draws upon and develops a series of events held since 2014 in the area of public value. The three conferences all explored different aspects of public value in applied, real world settings. Speakers for all the events were drawn from practitioners from a range of sectors, scholars from the UK and overseas, sitting MPs and on two occasions the Chair of the UK House of Commons public accounts committee the Rt Hon Margaret Hodge MP in 2014 and Meg Hillier MP in 2016.

For each conference, all the speakers were recorded and their contributions, and more about the events, can be found by visiting [uclan.ac.uk/apsu](http://uclan.ac.uk/apsu)

### **Governing mega-projects: Towards public value management**

*Thursday 16 October 2014*

This conference focussed upon the value delivered by these very large scale 'mega-projects'. It explored the crucial link between the realisation of public value and the processes and structures of governance of these projects which, due to their defining scope and scale, have a significant and sometimes long-lasting influence upon the communities, regions and nations within which they are located.

With an impact lasting for many decades, and with an economic value of sometimes hundreds of millions of pounds, these projects require special ways of working often, within a high degree of uncertainty and ambiguity. Because of their scope and scale, and the range of organisations involved in their delivery, the successful governance of mega-projects can create networks of powerful and enduring interpersonal and inter-organisational relationships spanning communities, sectors and interests. We believe that these networks may be engaged and optimised to maximise the public value these projects can achieve, and that, consequently, the overall value of these projects should accommodate their public value potential.

### **Achieving public value: A 360 degree view of project management**

*Friday 1 July 2016*

This conference focused upon achieving public value through the design and implementation of complex, large-scale projects and policies. Drawing upon the experience and expertise of policy makers, project management professionals, scholars and practitioners involved in engaging publics this conference focused upon the public accountability of large-scale projects and the resolution of complex policy problems which elude simple, straightforward project planning and policy solutions.

Foregrounding the role of partnerships and communities in identifying publics and public value and consequently adding value in the public sphere. Partnerships may emerge out of relationships involving producers and users of services in complex processes of co-creation which blur the distinction between practitioners and the public. A communities' perspective foregrounds the social context of these relationships in the sometimes-new arenas within which services are delivered and against whose interests 'value' may be judged.

## Sustainable tourism and the public value of nature

*Friday 29 September 2017*

This conference, held during the International Year of Sustainable Tourism for Development, used tourism as a vehicle to give a public value perspective on nature and environmental decision making. This public value perspective gives a powerful insight into the web of values, places, organisations, rules, knowledge, and other cultural resources that constitute the public sphere and which are held in common by people through their everyday commitments and behaviours, and held in trust by government and public institutions.

The conference focused upon areas like the English Lake District and Solway Firth, places of high landscape and cultural value in which the natural environment provides society with a sense of belonging, meaning, purpose and continuity and enables people to thrive and strive amid uncertainty. In these areas the visitor economy converts assets like scenery and culture into economic value. A public value perspective also embraces economic value and incorporates socio-cultural, historical and symbolic values, which can't be easily expressed economically and yet that have a high value in the public sphere.

In recent years, the valuation of environmental services and objects in the public sphere has become a priority in public policy. This growing interest is in part due to the importance, urgency, scope, and scale of environmental issues facing the world, a recognition of the wider value of nature and the pragmatic recognition that governments alone cannot effectively address many of these problems. Public value requires a less binary, more integrative and less oppositional perspective on decision making with public and private sectors engaging in hybrid spaces in which organisational and sectoral boundaries are blurred and valuations are complex. Today, nowhere is this more evident than in tourism where public and private property and perspectives interact and sometimes conflict to create or destroy value in the public sphere and protect the earth that we share.