Working with your team to develop a public value account

*A step by step guide*

12/12/2016

Public Value Interest Group

All of the information following can be found in Mark Moore’s book, *Creating Public Value*, 2013

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## Step 1: Why are we talking about public value?

Personal dimension:

We all need our worth recognised - in all the various walks of our lives.

Work should provide recognition of our worth and support us to earn and maintain our sense of self-worth.[[1]](#footnote-1)

Public dimension:

* As public sector employees, we are paid from the public purse, therefore we are accountable to the public for our use of collectively owned resources.
* A Public Value Account will allow a work unit to better articulate, understand and direct its own efforts toward the production of those socially valued outcomes for which it is accountable.
* A Public Value Account is an effective way to articulate and promote the ethical dimensions of how we work.
* It is a truism that ‘you get what you report’: reported information plays a decisive role in determining which activities receive attention of decision-makers and resourcing.[[2]](#footnote-2)
* Therefore, if we report the value that we produces, we are more likely to draw attention to that value and attract resourcing to it.

Public value is a win-win:

When we are recognised – by ourselves and others – as creating public value, our sense of self-worth is earned and supported.

## Step 2: Explaining Public Value

## A. What is Public Value about?

Public Value refers to whatever is actually undertaken and produced by agencies utilising public resources.

The public sector produces a range of valuable activities across the ‘value chain’:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **The Value Chain**   |  |  |  |  |  | | --- | --- | --- | --- | --- | | **Inputs**  *Funds*  *Staff*  *Buildings*  *Equipment*  *HR practices* |  | **OUTPUTS**  *Services*  *Policies and processes*  *Agreements*  *Committees*  *Tools*  *Payments* |  | **SOCIAL OUTCOMES**  *[For example:*  *Participation in education*  *Employment*  *Mobility (transport)*  *Incidence of diseases*  *Well-being*  *Capacity for self-management]* | |

Public sector activity should aim to move inputs to outcomes as fairly and efficiently as possible. Fairness across the value chain is a necessity that arises from the collective nature of public resources: no individual has any particular right over public property, process, or person. It is useful to remember that power in the public sector is essentially delegated from the citizenry through the elected Minister to public sector employees.

Furthermore, public resources are established coercively, that is, involuntarily through taxation and various penalties. Together, collectivity and coercion give rise to the need for public resources to be used legitimately, that is, in ways that have on-going support of the citizenry and with the minimum use of state authority.

Public sector activities can't be based on decision-making processes that are not directly linked to the wishes of the citizenry. Activities (whether inputs, outputs or outcomes) should always have the support of their partners and co-producers within the citizenry: consumers, clients, patients, legislators, insurers, etc.

Legitimacy also requires transparency and accountability concerning, for example, the agency’s

* relationships with funders, employees, volunteers, legislators, clients etc;
* involvement of citizenry in service planning, delivery, and evaluation;
* relationships with government regulators
* credibility with civil society

## B. What kind/s of value is Public Value?

Public Value can take the form of:

financial value

cultural value

social value

political value

moral value

aesthetic value

These values can be expressed, for example, in physical products (eg. tools, web sites, buildings, pathways, etc); ‘knowledge’ products (policy, procedures, reports, service models, data); finance and savings/costs avoided; service provision; workplace health & well-being initiatives; patient/client/colleague satisfaction; professional improvement activities; or relationships and networks – just to name a few.

## C. why does it matter?

Reporting public value is a form of accountability in government.

Public servants have a moral responsibility to use public resources fairly to achieve public goals.

Public value can be a reflection of, and build, your own self-worth.

## D. The ethical context: fairness and justice

Because the public sector uses collective resources, it is required to be fair and just in the use of those resources at every stage of the value chain. This concerns not just the social outcomes but the means by which those outcomes are produced. In other words, decision-making, workplace relations and stakeholder relations should be demonstrably ethical. Public sector ethics should be reported just like any other performance criteria because e***thics is a normal part of business***.

Mature public sector ethics reporting would encompass things such as:

* accountability and transparency across its activities;
* how treatment of staff and/or stakeholders is being monitored and managed;
* complaints about unfairness or misconduct, and how they are being responded to;
* the costs associated with complaints and legal action;
* positive measures of fairness and justice, and how this contributing to the social value of the public service activity.

## E. How is public value created?

By finding a ‘fit’ between the organisation and the external environment in which it is operating - not just to satisfy external demands, but to respond to them in a value-creating way.

Ask yourself: is there a good “fit” between the way in which your organisational unit operates and what is demanded of it by its stakeholders?

## Step 3: How to create a Public Value Account

## Public Value account Development Tool

The tables below are a kind of check list to help you ‘translate’ the work you do into the language of public value. Once you have articulated your areas of value you can summarise this into a Public Value Account (PVA).

**It is your choice how much you want to put in an account, and in what detail**.

In a PVA, the flip side of value creation is the cost incurred in creating that value. You will need to note not just the value that you create, but the value foregone in the form of costs and unintended negative consequences.

Once you have been through one ‘round’ of this process you can then simply update your account over time.

|  |  |  |  |
| --- | --- | --- | --- |
| **Mission and purpose** | | | |
| What is the mission or purpose of your work unit? | | |  |
|  | | | |
| **Where on the value chain are you creating value?** (circle Y or N) | | | |
| Inputs: | Yes/No | | |
| Outputs: | Yes/No | | |
| Outcomes: | Yes/No | | |
|  | | | |
| **How can you demonstrate the legitimacy of your activities?** | | | |
| Who/what funds your activities? | | |  |
| Who are your clientele? | | |  |
| Who are your key stakeholders? | | |  |
| Do you have a Board or Steering Committee? | | |  |
| Do you have formal reporting requirements to anyone? | | |  |
| What information are you currently reporting to your ‘authorisers’? | | |  |
| Are there other groups to whom you think you should or could be accountable (and who can give you legitimacy)? | | |  |
|  | | | |
| **What are the dimensions of value that you create?** | | | |
|  | | *For example:* | |
| Financial value:  cost-efficiencies and value for money; | | *Published strategic/annual plans with budgets*  *Budget balances*  *Costs avoided for constituents*  *Cost per client*  *Cost of staff turn-over*  *Insurance payments/penalties*  *Fines/penalties incurred* | |
| Operational value: | | *Reach of services / access*  *Relationships – types and effectiveness*  *Staff & client satisfaction*  *Staff turn-over*  *Incidents reported, & severity*  *Transparency of information*  *Innovation*  *Results of service reviews*  *Demonstrated excellence*  *Awards*  *Fines and penalties*  *Outcomes data* | |
| Moral value (or ethics) :   * the use of authority, * fairness (including in the distribution of public benefits and obligations); * justice in the operations of publicly funded agencies; and * legitimacy of activities. | | *Level/type of complaints*  *Staff & client satisfaction*  *Demonstrated excellence in a relevant area*  *Appropriateness of services*  *Community participation in decision-making*  *Compliance with reporting requirements*  *Transparency of information* | |
| Social value: activities that reflect collectively desired ends. | | *Service uptake*  *Stakeholder satisfaction*  *Population statistics*  *Outcomes data* | |
| Political value: implementation of policies for which government are elected, and satisfaction of legislative requirements. | | *Compliance with policy*  *Compliance with law*  *Completion of mandated projects*  *Stakeholder satisfaction* | |
| Cultural value: activities that concern broad cultural norms, or affect the nature and quality of public life. | | *Community/citizen participation*  *Partnerships*  *Stakeholder satisfaction*  *Service/training uptake*  *Social inclusion*  *Items produced, eg. programs, publications, techniques, apps* | |
| Aesthetic value: things that affect the public’s enjoyment or appreciation of the environment or life. | | *Stakeholder satisfaction*  *Social inclusion*  *Outputs, eg. artworks, publications, techniques, apps*  *Outcomes, eg clients with disabilities can access a park or museum etc* | |
|  | | | |
| **Innovation** | | | |
| How is the “fit” between the way in which your organisational unit operates and what is demanded of it by its stakeholders? | | *Do you have bureaucratic barriers?*  *How easy & timely it to access your services?*  *Is everyone herded to a one-stop shop with a long queue?* | |
| Where does your flexibility lie? | | *Specific skills*  *Number & location of personnel,*  *Funds and funding rules,*  *Equipment,*  *Influence,*  *Knowledge* | |
| Can you identify specific processes or activities that you can adjust to maintain a ‘fit’ between your unit and the environment in which it is operating? | | *Steering group membership?*  *Eligibility criteria?*  *Access portal?*  *Volume?*  *Quality?*  *Price?* | |
|  | | | |
| **Costs** | | | |
| What financial resources did you have to expend? | | *$$* | |
| Were there human resource costs? | | *Staff turnover*  *Sick leave*  *Training* | |
| Were there other non-financial costs? | | *Loss of stakeholder support*  *Loss of in-kind support*  *Bad publicity*  *Complaints* | |

**PVA Example : homeless dog Laundry & monitoring service**

|  |  |  |
| --- | --- | --- |
| **Mission and purpose** | | |
| What is the mission or purpose of your work unit? | To increase access to effective laundry services for homeless dogs  To monitor the number of homeless dogs in Tasmania | |
|  | | |
| **Where on the value chain are you creating value? (locate where you produce)** | | |
| Inputs: | Yes | |
| Outputs: | Yes | |
| Outcomes: | Yes | |
|  | | |
| **How can you demonstrate the legitimacy of your activities?** | | |
| Who/what funds your activities? (These are your ‘authorisors’) | State government  Public donations | |
| Who are your clientele? | Private laundry service providers  Homeless dogs | |
| Who are your key stakeholders? | RSPCA  The Office of the Chief Launderer  Local council dog catchers & keepers  Homeless Tasmanian Dogs Cooperative  Private Dog Launderers Association  Tasmanian community | |
| Do you have a Board or Steering Committee? | There is an Oversight Group chaired by RSPCA | |
| Do you have formal reporting requirements to anyone? | Yes, quarterly and annually to the   * Oversight Group * State government * Local council | |
| What information are you currently reporting? | Financial activity  Number, frequency and location of homeless dogs laundered; and  Number who escaped laundering.  Fur cleanliness scale of washed homeless dogs  Dog-related purchases  Annual plan and annual review. | |
| Are there other groups to whom you think you should or could be accountable (and who can give you legitimacy)? | It would be good to have:   * dog detergent supplier representatives who could provide advice about efficient utilisation of laundry detergent. * Tasmanian dog owners who could provide data about impact of homeless dogs on homed dogs; | |
| **What are the dimensions of value that you create?** | | |
| Financial value:  cost-efficiencies and value for money; | Funds raised through public donations.  Costs avoided for Office of the Chief Launderer, local council dog catchers, and RSPCA by reducing the number of homeless dogs.  Costs avoided through prevention of flea plagues and dog bites.  Program administration savings through coordinated teamwork in the Homeless Dog Laundry & Monitoring Service.  Recruitment and training costs avoided by stable staffing over several years. | |
| Operational value: | Number and type of services provided to homeless dogs.  High levels of dog satisfaction.  Low staff turn-over and high level of ‘corporate memory’ within the Homeless Dog Laundry & Monitoring Service.  Relationship management: newsletters, ‘thank you’ bones, regular F2F meetings.  Increased efficiency through automated de-lousing database linked to washing machine outflow analysis unit.  Demonstrated excellence – nominated For Best Looking Homeless Dog in the State award. | |
| Moral value :   * the use of state authority, fairness in the distribution of public benefits and obligations; * justice in the operations of publicly funded agencies; and * legitimacy of activities. | Funded services are appropriate.  Resources are allocated on the basis of objective criteria, ie not on that fur colour of the dog.  High level of staff satisfaction within the Homeless Dog Laundry & Monitoring Service.  Transparency of program information and decision-making:   * reports and data are provided to all stakeholders, * reports and data are made available to dogs in dog speak, * reports and data are available at popular hangouts for homeless dogs. | |
| Social value: activities that reflect collectively desired ends. | Service uptake is high.  Stakeholder satisfaction is high.  Services target demonstrated need.  Client satisfaction is high.  Services are annually accredited by The Office of the Chief Launderer and the Homeless Tasmanian Dogs Cooperative. | |
| Political value: implementation of policies for which government are elected, and satisfaction of legislative requirements. | Programs comply with national, State and local council dog policies.  Programs comply with State laws.  Programs achieve their mandated ends. | |
| Cultural value: activities that concern broad cultural norms, or affect the nature and quality of public life. | The Homeless Dog Laundry & Monitoring Service   * encourages community/citizen participation eg. on the Oversight Group and at monthly community meetings, * pursues partnerships across public and private sectors, * pursues services with social inclusion strategies, * provides dog cleanliness literacy tools for homeless dogs and service providers. | |
| Aesthetic value: things that affect the public’s enjoyment or appreciation of the environment or life. | Dogs are   * more beautiful * more cuddly * less infectious * better friends & guardians | |
|  | | |
| **Innovation** | | |
| How is the “fit” between the way in which your organisational unit operates and what is demanded of it by its stakeholders? | | Quite good, but would be better if dogs could participate more in the program decision-making. |
| Where does your flexibility lie? | | The range of skills, including language skills in dog-speak.  The ability to raise funds through donations.  Homeless dogs have ability to initiate novel activities within the service.  Homeless dogs can be very charming, and have been able to influence potential donors.  Knowledge of what homeless dogs like to do and how they can be utilised. |
| Can you identify specific processes or activities that you can adjust to maintain a ‘fit’ between your unit and the environment in which it is operating? | | Maintain inclusive policies which allow participation in decision-making by dogs.  Maintain good stakeholder relationships especially those with higher capacity to influence others. |

## Step 4: Your Public Value Account

**example: homeless dog Laundry & monitoring service, 2016**

A program funded by the State government and public donations that aims at increasing access to effective laundry services for homeless dogs in order to have dogs that are more beautiful and cuddly, less infectious, more loved, and better friends & guardians. It also monitors the number of homeless dogs in Tasmania.

The Homeless Dog Laundry & Monitoring Service brokers with a range of private providers for laundering services.

|  |  |  |  |
| --- | --- | --- | --- |
| Number of program staff: | | 3 | |
| Annual funding: | | $1m | |
| Key projects: | | Cleaner Tassie Dogs (CTD)  Humans and Dogs Friendship Initiative (HDFI) | |
| **Costs** | | **Achievements** | |
| Program staff and on-costs  Office space and consumables  Dog washing machines  Detergent  Flea counters  Automated de-lousing database (linked to washing machine outflow analysis unit)  Collars and leashes  Contracts with providers.  Vaccinations  Insurance  Advertising | | Donations increased by 5 %  Washed homeless dogs increased by 7.5%  Increased access to effective laundry services for homeless dogs in Tasmania.  Reduced waiting time for laundry services for homeless dogs in Tasmanians.  Reduced incidence of flea outbreaks.  Better data about flea infestation rates in Tasmania.  A high level of stakeholder satisfaction (stakeholder survey).  High level of client satisfaction with services (client survey). | |
| **Unintended negative effects** | | **Unintended positive effects** | |
| Increased demand for homeless dogs by some providers might be leading to dog rustling.  Some providers (and their clients) developed unsustainable expectations about on-going laundering services. | | 4% increase in dogs being homed permanently.  Children in Launceston started a homeless dog feeding club after consulting the Oversight Group. | |

1. Dejours C, Deranty J-P. “The Centrality of Work”. *Critical Horizons* 11:2, 2010, pp167-180; Ricoeur, P. *The Course of Recognition*. Harvard: Harvard University Press, 2005 [↑](#footnote-ref-1)
2. Kaplan, Robert S and Norton, David P. “The Balanced Scorecard – Measures That Drive Performance”. *Harvard Business Review*, January – February, 1992. [↑](#footnote-ref-2)