

Made to Measure


Understanding local public service productivity

A collection of essays by

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New Local Government Network (NLGN) is an independent think tank that seeks to transform public services, revitalise local political leadership and empower local communities. NLGN is publishing this report as part of its programme of research and innovative policy projects, which we hope will be of use to policy makers and practitioners. The views expressed are however those of the authors and not necessarily those of NLGN.

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Published by NLGN

ISBN 1 903 447 52 6

Prepared and printed by NLGN

Second Floor, 42 Southwark Street, London SE1 1UN

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Clare Montagu was appointed Special Adviser to Rt Hon Alan Johnson MP, Secretary of State for Education and Skills in June 2006. Over the previous year, Clare worked on the front line of children's service delivery, running a Sure Start programme on a deprived estate in the east London borough of Barking & Dagenham and worked on specific projects with the local authority, including developing the Borough's Children's Trust arrangements. *In this pamphlet she is writing in a personal capacity.*

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Foreword

One-third of humanity experiences darkness at night. In the UK we just turn on the lights. The economist William Nordhaus analyzed the real price of light over two centuries in the developed world and concluded that it had fallen a thousand-fold. A middle-class urban household in 1800 would have spent perhaps four per cent of its income on illumination: on candles, lamps, oil, and matches. A middle-class urban household today spends less than one per cent of its income on illumination, and yet they will consume more than a hundred times as much artificial light as did its predecessor of two centuries ago.

This is the key productivity measurement problem – how best to take account of quality improvements while assessing the ratios of outputs to inputs. If it is difficult with light, how much more so with local public services? How do we factor quality improvements into our assessment of the productivity of front-line services such as social care, of education, of environmental maintenance, and so on?

This NLGN publication breaks crucial new ground for public managers and local politicians. It addresses hard issues head on. To date most of the debate in public services has focussed on the management of supply, too little attention has been paid to the management of demand. Improving productivity requires a focus on both. It's no good reducing the cost of inputs of a service if less people use or value it.

A productive local government sector is crucial to the overall productivity of both the local and the national economy. The authors in this important collection rightly argue (and evidence) that productivity in local government will only rise when there is a strong culture for progressive change within councils themselves; when there is an open-minded approach to enhancing public value both for and with citizens locally; and when councils eschew the 'snark hunt' of outcome measurement and focus unambiguously on improving their productivity through assessing rigorous output measures against costs to taxpayers and quality improvements to immediate service users and wider society.

This is a very challenging agenda that requires strong discipline. To improve local government services we need to lower costs, improve quality, and heighten productivity. This drive for higher productivity is not a new government regime which requires forms to be filled or boxes to be ticked. It is not a new fad or fashion but rather a necessary condition for ensuring that local government services not only deliver higher value to citizens but are more highly valued by citizens.

Barry Quirk

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Improving the productivity of services and delivering value for money remains a key part of public service reform. Recent increases in public spending have led to a greater debate over the efficiency and effectiveness of public services, as service providers face up to the challenge of delivering high quality and receptive services.

The role of local government in developing these issues and embracing public value is fundamental to delivering greater productivity both at a national and local level. *Made to Measure: Understanding local public productivity* brings together a collection of essays analysing how productivity can be measured and ideas and visions on delivering this new agenda.

Bringing together key representatives from local government, academia and think tanks, *Made to Measure* offers a blueprint for reforming and enhancing the way that local government views productivity issues and offers real solutions to enhance services and become more accountable.