

# British governance needs to move from New Public Management to Public Value Management ideas

[Arno van der Zwet](#) and [John Connolly](#) argue that the experiences of the past decade mean that public value-based ideas are required to inform governance reform for the coming years. This needs to be prioritised due to the twin challenges of managing the aftermath of Brexit and navigating through the recovery phase of the pandemic.

The reform of British governance, in terms of 'doing government better' has not been high on the agenda over the past two decades. Since the New Labour reforms of the early 2000s, prompted by calls for '[Modernising Government](#)', there have not been any significant shifts to re-think how UK government works and how it would serve citizens better. It seems like we have not moved on too far from New Public Management (NPM) ideas, with the focus being on performance measurement over outcomes-based evaluation. That does not mean nothing has changed and there certainly have been important developments, perhaps most notably the 2017 [Barber report](#), which attempted to introduce public value-based approaches to how the Treasury functioned.

Our new edited volume, [Public Value Management, Governance and Reform in Britain](#), seeks to build on calls for adopting a values-based approach to reform in Britain. Why? The twin challenges of Brexit and COVID-19 provide a springboard for reform in the medium and long term.

The result of the Brexit referendum crystallised a socio-demographic chasm between those who have benefitted from European integration, immigration, and globalisation and those that feel threatened by these processes. Education, income, and housing were all key predictors in terms of the [Brexit vote](#). Those who felt threatened have long felt marginalised within Britain's current governance system. The COVID-19 pandemic has also unearthed health inequalities in terms of social, age, and race contexts. In economic terms, it has exposed the vulnerability of people in casual work and some of the flexible self-employment regulations. The measures to control the spread of the virus have a greater impact on more vulnerable groups, both socially and economically, and the economic recession will also most disproportionately affect vulnerable [groups](#). The fundamental values of healthcare access, protection of those working in vulnerable professions, health and social care have all challenged the integrity of extant governance arrangements. The pandemic has also been cause to reflect on the extent to which governance processes are geared towards those at the sharp end of policy implementation at the 'street-level'. However, new government thinking has yet to emerge with regards to how government itself can respond to such societal changes.

This reform agenda, we argue, should distinguish itself by (re)focusing on public value. Whereas NPM takes its cue from a managerialism-based approach to government policy-making, Public Value Management (PVM) challenges this rationale and proposes a clear distinction between private managers who create private (economic) value and public manager should create [public \(social\) value](#). Private sector value, unlike public value, can be evaluated in terms of corollary returns to shareholders. Instead, public value includes other values such as fairness, equal access, and justice – all themes that have close links with the Brexit and COVID-19 experience.

Indeed, PVM can be linked to the *processes that shape decision-making*. Although PVM takes a value-based perspective which can be interpreted as an outcome of the policy process, the process by which this outcome is achieved forms an integral part of the [public value framework](#). A plethora of new mechanisms and approaches have been introduced to provide more inputs in policy-making decisions (referenda, public petitions, public consultations co-production, citizens juries, and citizens assemblies). These tools are increasingly used but in our assessment, although they have the potential to strengthen public value in policy-making processes, they currently remain too 'fringe' and sporadic in their use to be considered a galvanising force for governance reform – there is a need for central-level leadership on this agenda.

As alluded to above, public value principles can also be applied to the way in which policy programmes are implemented and measured. In particular, when compared to NPM, a public value paradigm moves beyond the values of efficiency and effectiveness of NPM and considers a wider range of values linked to community benefit, common good, and democratic processes as being central to policy-making. These type of values are particularly relevant for the UK government's post-Brexit levelling up agenda which relies on place-based implementation and co-creation with community to achieve the greatest impact.

Finally, public value is relevant to the 'politics' that underpins policy decisions. This refers to attempts to establish trust with the electorate in relation to reform programmes and policy decisions. Public managers play an important role in terms of achieving public value, which has a political dimension. This is not to suggest that public managers are political in the sense that they are partisan. Yet, they do require to be actively engaged with politics. At a minimum, this would involve listening to how political masters interpret public value and provide advice with regards to how this can be translated into policy programmes. The daily briefings during the pandemic during which politicians were flanked by officials with detailed expertise serve as an example of such a role.

PVM can offer a more inclusive model for governance that provides room for a fuller appreciation of public values. Structural inequalities in British society are obviously deep-rooted and long-standing, but the twin acute uncertainties posed by Brexit and COVID-19 have served to crystallise the gaps more clearly.

The pandemic will see a series of inquiries into the handling of the pandemic at both the UK and the devolved levels. Given that COVID-19 itself will not go away any time soon, the lessons to emerge from these will likely see a greater emphasis on future local responses and decision-making, including perhaps more of a role of local leaders. With this in mind a public value-based approach to embedding evaluation into future arrangements for pandemic management (with the inclusion of citizens in the design of such strategies) will present a challenge for policy-makers but it would be one way of trying to build capacity, co-production, and resilience into how government works.

In short, the quality of government depends on the quality of future public sector leadership at multiple levels of governance. If this pandemic has shown us anything, it is that government thinking into how the state machinery works cannot stand still.

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Note: the above draws on the authors' edited book [Public Value Management, Governance and Reform in Britain](#) (Palgrave, 2021).

### **About the Authors**

**Arno van der Zwet** is a Senior Lecturer in Politics and Public Policy at the University of the West of Scotland.

**John Connolly** is Professor of Public Policy at the University of the West of Scotland.

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