



LOCAL AUTHORITIES &
RESEARCH COUNCILS' INITIATIVE

Co-Production

**A Series of
Commissioned Reports**

www.larci.org.uk

Contents

LARCI has commissioned a series of papers to develop and promote thinking on the theme of Co-production of services, with users, citizens, communities and other stakeholders. The reports have been collated in this booklet and are also available for download from the LARCI (www.larci.or.uk) and IDeA Communities of Practice (www.communities.idea.gov.uk) websites.

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Co-Production of Local Public Services

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Preamble

The Local Authorities & Research Councils' Initiative (LARCI) aims to make academic research much more accessible and relevant to the practical needs of those working in local government. We achieve this by bringing together the UK's Research Councils and all the main Local Government organisations, to help to create a robust research and development capacity that serves local government policy and practice, and has the stamp of academic rigour. A core element of LARCI's mission is the co-design and co-production of research to ensure that research questions are formulated with local government in mind, and that the research process produces findings useful to this sector.

In 2009, the LARCI Strategic Board identified four research themes of central, practical significance to the sector. These were:

1. Co-production
2. Integrated Budgets
3. New Scenarios in Local Governance
4. Risk Assessment and Decision making

Each project has two Board Champions - one policy/practitioner, and one academic. Each pair of theme champions was charged with a) reviewing the evidence around theme research questions, and b) evaluating the nature of the evidence, and its value to policy and practice development.

Co-production – A Brief Summary of Research for Practitioners

1. Introduction

This paper provides a brief introduction to co-production. It is based on longer papers summarising the research in this area, available on the co-production community of practice (see www.communities.idea.gov.uk).

Co-production is essentially about the delivery of public services being shared between the service provider and the recipient. Therefore, co-production is nothing new – essentially all services involve some involvement of service users. What makes this issue topical in the current financial crisis is the expectation that effective user and community involvement may help to improve outputs, service quality and outcomes and reduce costs for local government.

However, discussion of the topic is fraught with confusion over definitions and different types of co-production. There are differences depending on the type of 'service' (e.g. to individuals, collective and regulation) and who contributes and benefits. So, an individual may contribute to their own benefit (e.g. individual budgets); individuals may contribute to specific others, such as family / friends (e.g. as carers); or individuals may contribute to the collective good (e.g. reducing carbon emissions). Networks support each other (e.g. breastfeeding support groups). There may be a collective contribution to the collective good (e.g. local litter picking blitz). An important difference is between 'substitutive' and 'additive' co-production, i.e. whether part of the service is transferred from the professional to the public, or whether support from the professionals allows the public to do more.

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There is also dispute about whether the definition should include passive behaviour, things which a person is compelled or obligated to do and things they do independently of the council. This is important, because, it may rule out such things as 'not dropping litter' or personal influence on one's health which are significant in terms of resources and achievement of outcomes. If a narrow definition is used, it is worth considering co-production alongside such things as social responsibility, behaviour change and social marketing, which will be vital for improving outcomes with limited resources.

Co-production is also sometimes defined by its principles. It is about service users as active asset-holders rather than passive consumers; it promotes collaborative rather than paternalistic relationships between staff and service users and it puts the focus on delivery of outcomes rather than just services.

The idea of co-production originates from the US in the late 1970s and early 1980s and was then, like now, in part prompted by public spending cuts and rising expectations. However there are a number of other drivers for the current interest in the topic including: technological innovations allowing more user involvement (e.g. internet, tele-health); more assertive consumers; demographic change, with older people more likely to engage with delivering public services; and a greater outcome orientation.

An important question is what are the most promising areas for co-production. According to the Strategy Unit there is most scope in 'relational' as opposed to 'transactional' or 'acute' services (p.25). Given the pressures on public spending, it would make sense to start with highest cost areas and perhaps focussing on the biggest social issues. To be effective, co-production will frequently require support in redesigning services, setting up systems and providing new skills for professionals and the public. Persuasion may be required to encourage both professionals and members of the public to become involved.

2. Personal Co-production

Overview One of the areas in which citizens and professionals can collaborate (or 'co-produce') is in services where the benefits are felt mainly by the individual citizens taking part. These are services such as health and social care, education, housing and employment and other welfare services, where citizens derive a direct and immediate benefit from the state (be it financial or service-based). In shaping these services, citizens and frontline staff can collaborate at the start of the process (service planning and design) in delivery and management of the service and/or in audit and evaluation.

The advantages of involving citizens more directly in shaping provision is that the services are more likely to meet the needs of users, minimising wasted spending. Users are also more likely to be committed to the process of securing better outcomes, undertaking behaviour change where that is appropriate. It is also possible that users will gain new skills and social capital through being more involved in working with other users and frontline staff to shape provision. However, effective collaboration may be more difficult to achieve in practice. It challenges the idea that staff are 'experts' delivering services to passive users, and that may create resistance from both staff and users. Collaborative working can also clash with existing funding and audit mechanisms. Approaches to risk enablement need to be adapted to support staff and users in managing appropriate risks.

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Case studies demonstrating the benefits of personal co-production include:

Individual budgets in social care. Building on the direct payments model within social care, in which service users are given a budget to purchase personal assistance, individual budgets coordinate a range of budget-streams to give users maximum control. The resource allocation is agreed in discussions with the local funding body, but users and carers have considerable discretion in how they use the funds, so long as they are directed at achieving agreed outcomes. Evaluation of 13 pilot areas for individual budgets found that the initiative was generally welcomed by participants, who reported feeling they had more control over their daily lives. Mental health service users, physically disabled adults and people with learning disabilities were more positive about the scheme than older participants. For a full evaluation (and summary) see Glendinning, C., *et al*, (2008), *Evaluation of the Individual Budgets Pilot Programme*, IBSEN. www.dh.gov.uk/en/publicationsandstatistics/publications/publicationspolicyandguidance/dh_089505

Budget-holding lead professionals (BHLPs) in children's services. BHLPs are increasingly being used in services where users themselves are not seen as the most appropriate budget-holders. Pilot schemes for children with additional needs found that staff nominated as a BHLP could help to coordinate a wide range of services and to work creatively with families and other staff to access resources. Although some staff involved in the BHLP pilots reported difficulties in taking on new budget-holding and coordination roles whilst still doing their other professional duties, staff also reported that the scheme was an effective 'catalyst for creating a can do culture from the bottom up' (OPM, 2008: 34). For an overview see: <http://myblog.opm.co.uk/?p=57%20>. For a full evaluation see: Office for Public Management (2008) *Budget-holding lead professional pilots: Final report*, London: OPM.

Family intervention projects. These projects work with 'chaotic' families to tackle recurrent problems associated with the co-occurrence of factors such as mental health problems, behavioural disorders, substance abuse, educational underperformance and anti-social behaviour. Often run by the third sector, the projects provide a range of intervention strategies, including support in the family home and the provision of specialised short-term housing facilities. Most providers stress the importance of voluntary participation by the families, so that they are committed to collaborating with professionals to improve outcomes. An independent evaluation of early outcomes found that the projects led to a reduction in anti-social behaviour and family break up, along with improved education progress for the children involved. For the full evaluation see: White, C, Warrener, M., Reeves, A. and La Valle, I. (2008) *Family Intervention Projects – an evaluation of their Design, Set-up and Early Outcomes*, London: DCFS/CLG. www.dcsf.gov.uk/research/programmeofresearch/projectinformation.cfm?projectid=15499&resultspage=1.

For an alternative approach see the work of Participle: www.participle.net/projects/view/3/102/

Questions for discussion

- How can service users be encouraged to see themselves as co-producers?
- What support and training will frontline staff and managers need to embed co-productive ways of working?
- How can collaborative working be developed at a time of financial cut-backs?

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3. Collective co-production

Overview. The idea of collective co-production, by contrast with personal forms, expands the conception to encompass groups of citizens. As such, our definition of the term involves: 'horizontal' relationships between active citizens to produce public services and other goods, in addition to their 'vertical' relationship with the state that is a feature of personal forms of co-production. Collective co-production contains intrinsic benefits for those involved, and instrumental ones, by creating the possibility of public services, in particular, shaped around communities' needs.

Case studies demonstrating the benefits of collective co-production include:

Peer Support Groups. Public agencies' use of peer support groups, either for patients with long-term conditions, new mothers or young offenders, is one notable example of collective co-production in practice. Groups of service users in similar situations meet to offer advice, support and social opportunities to participants, usually with professional facilitation. Evaluations of two groups offering support to breastfeeding mothers in Gateshead and Mansfield revealed a number of significant findings. The horizontal relationships associated with the collective approach can be particularly beneficial; participants found it easier to relate to advice offered by those in similar situations, and the scheme also extended the social networks of the families participating. Involvement in a group was also advantageous in an area in which both problems and solutions varied widely. However, professionals play a vital facilitating role in these schemes, both through raising awareness and confidence amongst participants. Government needs to focus on securing the resources and appropriate support for professionals involved.

Time banks. Time banks are systems designed to coordinate mutual voluntary work, grounded in the simple idea that time can be a means of exchange in the same way as money. Members of a time bank agree to give up an hour of their time to do something for another member of the community; doing so means they later receive one hour in return. Evaluations of schemes operating in London and Nottingham highlighted a number of benefits to the initiatives' collective co-productive approach. In practical terms, the schemes offer families the chance to receive services they would otherwise be unable to afford, provide an alternative means of support for those with health needs and relieve pressure on traditional carers and local services. They also boost the confidence and broaden the social networks of participants. However, these schemes also face a number of challenges, the three most significant being the need for ongoing funding for professional support, the ability to integrate with local systems of public service provision and the need to provide recognition of the ongoing time commitments of participants, particularly those in paid employment.

Participatory budgeting. Participatory budgeting (PB) is a democratic process in which community members directly decide how to spend part of a public budget. In the UK the concept has been a significant part of some of the latest thinking in Whitehall on ways to boost 'community empowerment'. Newcastle City Council has been a pioneer of PB approaches (although several councils are pushing this agenda forward). Newcastle piloted PB using £280,000 from Neighbourhood Renewal Fund money. Between 2006 and 2008 five projects were delivered across two pilot programmes. Early evidence shows that these have been largely successful. Support for PB amongst many policymakers (notably in central government) has been high. There are strong theoretical arguments for it. First, there are strong links between PB and community cohesion. It has been argued that PB boosts civil activism, community cohesion and social capital.

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Second, PB both promotes and augments local democracy. Third, PB arguably makes spending more effective, by better focusing it on need as defined by citizens, rather than being mediated through representatives in local government or elsewhere. Fourth, PB can benefit the poorest the most, whilst raising overall standards. Fifth, PB offers a possibility of squaring the circle between equity and devolution. Finally, PB arguably fosters trust in politics, bringing citizens into a political process from which they can feel alienated.

Questions for discussion

- Are traditional providers of local government services prepared to cede power and money to groups of citizens?
- How can citizens be encouraged to get more involved in producing public services and other goods?
- How can collaborative working be developed at a time of financial cut-backs?

4. Efficiency gains through co-production?

Overview. As local councils are looking into new ways of achieving savings, involving citizens in the design and delivery of local services may be a valuable option. According to a recent LGC survey, more than two-thirds of local authorities expect to make savings of between 5% and 15% over the next three years. However, only 77% of local councils believe that their residents would be prepared to accept reduced general entitlement to services in return for more involvement in how their services are designed and delivered. A *Governance International* European citizen survey with pollster Tns Sofres showed that more than two-thirds of UK citizens would be indeed prepared to take more responsibility and contribute to prevention to improve outcomes in their area - but evidence is still weak on how much they really value this and whether it would allow councils to achieve efficiency gains.

Whether any given co-production is worth it, depends on the costs and benefits, not just to the service provider, but the member(s) of the public contributing and other beneficiaries (including, potentially, future generations). Costs and benefits are both monetary and non-monetary.

Costs include time and resources e.g. reduction in service delivery by professionals but more time spent supporting the member of the public. There are costs in terms of time committed by the member of the public. Costs can be saved of professionals having to find what clients want and need if they can access their own self-knowledge directly. There will be both investment and continuing costs.

There are both instrumental and intrinsic benefits of co-production. The instrumental benefits derive from exploiting the greater expertise and knowledge of service users and frontline providers – people often understand their own conditions better than professionals and often have particular knowledge and insight into alternative means of dealing with them. Intrinsic benefits include greater social responsibility and citizenship from people being involved in meeting their own and other people's needs, it can foster trust between providers and users and it can foster community networks and social capital. There may also be a greater sense of wellbeing arising from more control over one's own affairs.

A key potential benefit of greater collaboration between professionals and users and communities is that there is a stronger direct link to outcomes, which does not go through

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the mechanisms of public services at all – rather this co-production may lead to such effective preventative mechanisms that the services become much less important and can be reduced in either volume, or quality, or both. Co-production may happen through greater involvement of citizens replacing professional resources (e.g. through self-dialysis by liver disease sufferers) or by making it work better in areas where it has broken down (e.g. by convincing parents who previously did not support the work of teachers to reinforce the lessons they learn at school). Tighter budgets may provide an opportunity to rethink traditional paternalistic ideas about how local government provides services and lead to innovation in both these types of co-production.

Case studies demonstrating efficiency gains through greater user and community involvement include:

An evaluation of the Expert Patient Programme for patients with chronic conditions found that it produced better patient outcomes, at slightly lower cost. Specifically, the patients involved benefited from the equivalent of one extra week of perfect health per year and there was a reduced cost of around £27 per patient. It estimated that this would be cost-effective as long as the value of a year of perfect health is at least £20,000 (much lower than normal estimates). See <http://jech.bmj.com/content/62/4/361>.

Self care programmes for long term health conditions can reduce visits to GPs by up to 69%, reduce hospital admissions by up to 50% and more than pay for themselves through savings (Self Care Support: The Evidence Pack, DH, 2007).

Prevention of need for fire services: since the desired outcome sought by local fire services is to reduce injury to people and damage to objects from fire, increased prevention activities of local residents (e.g. by installing fire alarms and checking them regularly) will reduce the cover needed and therefore the extent of emergency and rescue services a fire brigade has to provide (see also Audit Commission, 2008a).

Provision of Supported Housing for people with learning difficulties: KeyRing supports people with learning difficulties to live in their own homes in ordinary neighbourhoods. It now has over 100 networks in the UK, with almost 900 Network members. The networks operate as a form of community co-production, whereby users offer each other mutual support and the KeyRing volunteers and liaison staff support people to make connections in their local community. The service users become stronger and more independent, need less support from staff and feel better about themselves and their future. The organisations running KeyRing charge relatively little – around £4000 - £4800 per user per year, whereas costs can be up to £40,000 p.a. if users were in residential care or other intensive services, as many of them would otherwise be.

Questions for discussion

- How can we persuade partnerships to grant communities more control over services where those communities can demonstrate that they will contribute to improving outcomes?
- How can we persuade councillors to commit more resources to prevention if major long-term savings are available, albeit in some cases 'non-cashable'.
- How can we persuade service professionals and managers to take the risk of allowing users and communities to co-produce more of the service, where this will reduce costs?
- What are the costs of working effectively with users and communities in improving outcomes?

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This paper has been produced from longer papers and summaries produced by four academics, covering:

Personal Co-production - Catherine Needham, c.e.needham@gmul.ac.uk

Collective co-production – Simon Griffiths, s.griffiths@gold.ac.uk

Efficiency gains through co-production – Elke Loeffler, elke.loeffler@govint.org and Peter Watt, P.A.Watt@bham.ac.uk

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A Future Research Agenda for Co-Production Overview Paper

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Purpose of the paper

This paper provides an overview of the personal, community and efficiency aspects of co-production in public services and adds an international perspective to the debate on co-production in the UK. In particular, the paper brings together three contributions which have been commissioned by LARCI:

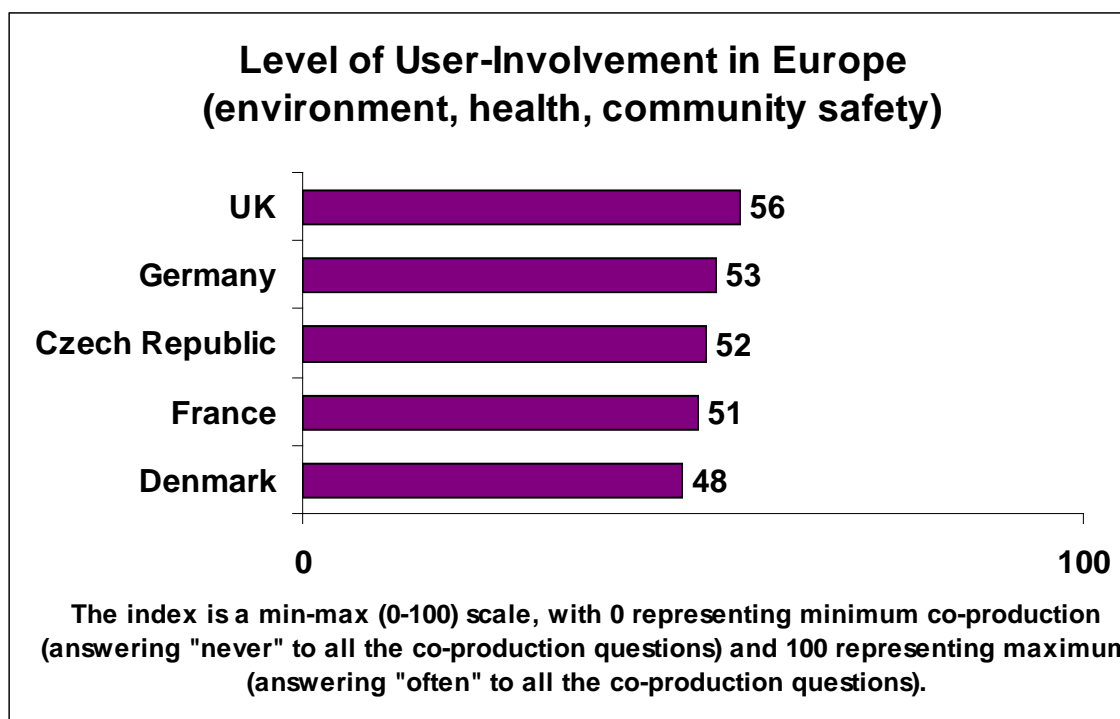
- Catherine Needham (2009)
- Simon Griffiths and Beth Foley (2009)
- Elke Löffler and Peter Watt (2009)

It also explores how better use can be made of existing research and considers how future research, in both the short and long term, could more effectively contribute to local government policy and practice.

Why co-production is an important topic for local government

Co-production has become an important reality in public services in the UK and internationally, as we witness greater involvement of service users and communities in the public service chain, both in extent and in intensity of engagement. Indeed, as a recent report by Governance International and pollster Tns-Sofres shows, service users in five European countries are already playing a much bigger role in public services than many professionals in those countries currently realise (French Ministry of Finance, 2008). And, as Figure 1 shows, citizens in the UK scored higher than those in the Czech Republic, Denmark, France and Germany in terms of co-production in health, community safety and crime prevention.

Figure 1: Level of citizen co-production in Europe



Note: Co-production was defined in this survey as the regular participation of citizens (as individuals or in groups) in order to improve outcomes, e.g. in community safety, the local environmental and their own health or health of other people.

Source: www.5qualiconference.eu

At the same time, in particular in the UK, there is now also a policy-level debate about the concept co-production among policy advisors and researchers. Most recently this debate has been given impetus by the Prime Minister's Strategy Unit (Horne and Shirley, 2009), think tanks such as the New Economics Foundation (Nef, 2008; Harris and Boyle, 2009), the Social Market Foundation (Griffiths *et al*, 2009), practitioner associations such as Compass (Gannon and Lawson, 2008) and the Social Care Institute for Excellence (Needham and Carr, 2009) and by academics such as Prof. Tony Bovaird, Birmingham University and Marion Barnes, University of Brighton.

At the European level, the issue of co-production was put firmly on the agenda of EU Ministries of Public Administration at the 4th European Quality Conference for Public Agencies in the EU in 2006 (Pollitt, Bouckaert and Löffler) and it was chosen as the core theme of the 5th European Quality Conference in 2008. Recently, the OECD has also started to focus on co-production within its agenda of promoting innovative public services.

Clearly, co-production is not a new concept – indeed, it is inherent in most services. It has been long understood **that a key characteristic of many services is that production and consumption are inseparable.** Both require some contribution from the service user, as pointed out by Normann (1984) and by Zeithaml, Parasuraman and Berry (1990). Or as Sharp (1980: 110) puts it, co-production is “the recognition that

public services are the joint product of the activities of both citizens and government officials”.

Catherine Needham (2009) observes that the original co-production literature came from American urban scholars in the late 1970s and early 1980s, responding to fiscal cutbacks in the United States at a time of rising public expectations of services (Parks *et al*, 1981; Brudney, 1984). Our current renewed preoccupation with different approaches to co-production is again marked by a recession but there are also a number of other drivers as Box 1 points out.

Box 1: Drivers of co-production in public services

- *Technological innovations, particularly in ICT*, give citizens more control, choice and flexibility in their relations with service providers (in any sector). In the public sector, this applies quite obviously to transactional services, e.g. when citizens make use of e- government solutions. However, it also applies in social services and health, e.g. where new technologies allow patients to take responsibility for their own treatment. For example, patients with kidney problems can now run their dialysis at home so that they no longer need to go to the hospital several times a week. The latest development is health focused sensors in the home which allow remote monitoring of elderly patients for conditions including dementia so that they can stay in their own homes for longer while saving money.
- *The rapid and far-reaching value change of modern societies* has had a deep impact on attitudes and behaviours of citizens (see, for example, the empirical research by Hofstede, 2001 and Inglehard, 1997). This has also led to the rise of what Griffiths *et al* call ‘assertive citizens’, with service users seen as less deferential and more likely to want to have a say about the services they receive (2009: 72-3).
- *Due to demographic changes taking place in most OECD countries*, there will be more citizen involvement in public services in the future. As empirical evidence for five EU countries shows, the involvement of citizens in delivering public services clearly increases with age, so that the ‘ageing society’ not only means increased demand for social services but also increasing levels of ‘co-production’ (French Ministry of Finance, 2008).
- *As fiscal constraints become more severe*, public agencies are likely to seek to make best use of all the potential assets available to public services, including the resources which service users and communities can contribute to service outputs, quality and outcomes. While a number of co-production approaches such as e-government solutions or the replacement of paid staff by volunteers are already widely used to achieve efficiency savings, other co-production approaches such as participatory budgeting are rarely used as a strategy for getting “more for less” (Löffler and Watt, 2009).
- In particular, *in the UK a greater outcome orientation of public agencies* has increased awareness of public managers that outcomes “are very difficult to achieve without some contribution from the service user” (Alford, 2009: 213). The key argument of co-production is that we can achieve an even higher level of

outcome than by traditional service provision or self-help if we combine both the inputs of the public agency and the users and communities (Löffler and Watt, 2009). However, in many European countries there is still not a strong focus on outcomes, with the exception of health where it was always believed that “health is the result of a joint effort of patients and professionals (Austrian Department of Health, 1993).

In particular, ICT technology has profoundly driven and enabled new forms of collaboration between professionals and citizens. It seems very likely that it will continue to change the relationship between service professionals, service users and their communities, making citizens less dependent, while, at the same time, giving them more responsibility.

Although **there is substantial evidence that co-production is already happening and that there is likely to be more of it in the future, there is also some research which indicates that this reality is still not well appreciated or understood by local authority professionals, managers and councillors – and that, when they do become more aware of it, they sometimes resist it strongly.** The first challenge for the research community, think tanks and local government umbrella organizations is to find mechanisms and a language to make professionals more aware of this concept and to help them understand why it is becoming more prevalent in practice. The second challenge is to understand better the sources of resistance to the concept.

What co-production is about

Whereas there is now an increasing body of academic research on co-production in the English-speaking world, **the term is largely unknown (and, where it is known, even sometimes disliked) in local government.** As the interviews with ‘co-production champions’ conducted by Catherine Needham (2009) confirm, the term ‘co-production’ may be an unhelpful one, if local government is to deal with and exploit the issue fully. This applies even more strongly in other countries, where the debate on co-production is rather more likely to take place under the topic heading of ‘co-responsibility’.

Just to make things more complicated, even academics cannot agree what to include and what to exclude under the bracket of co-production. However, when analyzing the myriad of definitions of co-production, there are a number of ‘common denominators’ as Box 2 shows.

Box 2: Distinctive principles of co-production

- Co-production conceives of **service users as active asset-holders rather than passive consumers.**
- Co-production promotes **collaborative rather than paternalistic relationships** between staff and service users.
- Co-production puts the focus on **delivery of outcomes rather than just ‘services’.**

- Co-production may be **substitutive (replacing local government inputs by inputs from users/communities)** or **additive (adding more user/community inputs to professional inputs or introducing professional support to previous individual self-help or community self-organising)**.

There is also a normative element to co-production. One normative perspective is that co-production is based on the principle of **reciprocity – in return for greater control over resources and decision-making in public services, citizens are expected to bear more responsibility and risk**. While this idea has underlain some participatory budgeting exercises such as in the London Borough in Tower Hamlets, UK councillors have not shown much appetite so far for translating this idea into practice. However, the new community plan in the London Borough of Barnet may turn this idea into reality: it suggests that people may get a bigger say on the priorities given to different services in their neighbourhood but, in return, will have to take care of green spaces, etc. themselves.

A second normative perspective on co-production is that it entails giving more power to users and their communities and means that they no longer have to accept passively the services decided for them by politicians and managers and provided for them by professionals. However, both these normative perspectives are contested – in particular, some have argued that it is unfair that vulnerable and disadvantaged service users should have to put their resources into the co-production effort, while others have argued that, in practice, it is unlikely that those stakeholders who currently possess power will allow it to be shared.

Of particular interest is the question as to which services are most likely to be appropriate for co-production. Some authors argue that co-production is necessarily **relational rather than transactional** (Horne and Shirley, 2009), i.e. it requires active involvement and decision making by the person using the service, in collaboration with others (Parker and Heapy 2006; Boyle 2008 Needham, 2009). However, Alford (2009) does not consider personal interactions between public officials and citizens to be necessary, if the focus of co-production is on improving outcomes through the ‘collaborative behaviours of service users’ in transactional services, e.g. in filling out tax self-assessments. This latter argument could clearly be extrapolated more generally to all ICT-enabled forms of increased citizen involvement in delivering services and outcomes.

As Table 1 demonstrates, the specific approach which is taken to co-production may have important implications for the costs and staffing involved of public services. Where co-production is substitutive, it may result in cost savings to the public sector and lower staffing. It is likely that belief that this will happen has coloured the reaction of many stakeholders in local government to the prospect of co-production (both positively and negatively). However, there are many stakeholders in local government (particularly front-line staff) who are not yet aware that additive co-production might also mean providing more professional support to activities which are currently largely characterized by self-help. For example, traditionally public sector care of the elderly has focused mainly on cases of high need - but the millions of people (mainly women) looking after their elderly partners on a voluntary basis, and thereby avoiding huge costs

to the public sector, have not benefited from much professional support or financial rewards for their unpaid work. It may be important in future to consider the potential for highly cost-effective improvements to the quality of co-produced care from some extension of public sector support to these unpaid carers.

Table 1: Types of co-production

Types of co-production		Resources brought by professionals and users/communities	
		<i>Additive</i>	<i>Substitutive</i>
Nature of interaction	<i>Relational</i>	Professionals and users doing joint assessment of user needs and care plans	Peer support networks of expert patients
	<i>Transactional</i>	Participatory budgeting done on-line (“e-PB”) with citizens submitting proposals for community projects/public services	Doing initial illness diagnosis from professionally-supported web-site

As Table 1 shows, additive forms of co-production typically add more resources (either personal or ICT-based) in order to achieve better citizen outcomes. So if both users and professionals undertake a joint assessment of needs (rather than the needs assessment being done by several professionals), this co-production approach is both relational and additive, in allowing for more inputs by service users. Sometimes, however, the additional resources available in the community may best be harnessed through more arms-length ICT-enabled forms, rather than personal service relationships. This is typically the case in those on-line suggestion and voting schemes referred to as ‘participatory budgeting’. As the case of the City of Cologne demonstrates (see also Cabinet Office, 2009) the number of citizens taking part in the on-line debate and voting has outnumbered the typically low turn-out in face-to-face PB events. However, transactional forms of co-production are often substitutive - for example, when citizens use NHS-supported web-services to undertake a diagnosis of diseases such as swine flu, they undertake work previously done by medical staff. The same effect can be seen when trained expert patients provide advice to peers which replaces work being done by a nurse or other medical professionals – in this case co-production is relational but with substitutive resource implications.

There is also not much agreement as to whether compliance should be considered as a form of co-production. According to Griffiths and Foley (2009), “a citizen may be said to be ‘cooperating’ with the state by refraining from vandalism or littering, but this does not fulfil the criteria of active engagement necessary for genuine

co-production". Clearly, there are different degrees and intensities of 'active engagement' of service users and communities. It is obvious that the outcome 'public safety' requires more than the voluntary compliance of citizens not to rob a bank – to use the example used by Griffiths and Foley (2009). However, if even a minority of young people considers knife crimes socially acceptable, many other young people and elderly people will not feel safe in their neighbourhood anymore. From a local government perspective, lack of voluntary compliance costs local councils (and the taxpayer) millions of pounds – for example, Solihull Metropolitan Borough Council spends £1.2m. a year to remove graffiti, chewing gum and litter in its area. One key objective of its Environmental Champions scheme is to induce communities to 'co-produce desired forms of behaviour', with citizens acting as environmental champions in the neighbourhood. More widely, there is now a growing movement in government to promote behaviour change (COI, 2009).

Another debate relates to different types of co-production. **One important distinction made in the literature is between collective and individualistic forms of co-production – LARCI refers to it as personal and community co-production.** Personal co-production is closely linked to personalization, as illustrated by the trend towards individual budgets in adult social care in the UK and other OECD countries. Collective co-production is closely linked to volunteering, but many of the people involved in it, e.g. people who attend participatory budgeting events, would not normally see themselves as 'volunteers' in the normal sense of the word. At the same time, a lot of volunteering happens in non-organised forms, for example, most social care is delivered by millions of women looking after their elderly parents, other family members or friends.

One important reason for seeking to make **this distinction relates to the kind of values produced through individual and community co-production:**

- According to the definition adopted by Needham (2009) which is based on Alford (2009), personal co-production encompasses services that generate private value for the individual, as well as public value for the community.
- According to the definition adopted by Griffiths and Foley (2009), community co-production produces instrumental benefits such as improving outcomes but also opens the way to achieving many intrinsic values. In particular, "the collective approach not only builds trust and improves relationships between service users and service providers, but also contributes to more cohesive communities and offers new channels for the creation of social capital" (Griffiths and Foley, 2009: 5).

However, Löffler and Watt (2009) suggest that both personal and collective co-production can produce either private value alone or public value alone – or, of course, both. However, community-led forms of co-production can be expected more often to create social values such as enhanced community leadership and increased public confidence. Clearly, as governments across the OECD become more interested in measuring social progress, we can expect to have more hard evidence on the values generated through different forms of co-production. This is another important area for research to explore.

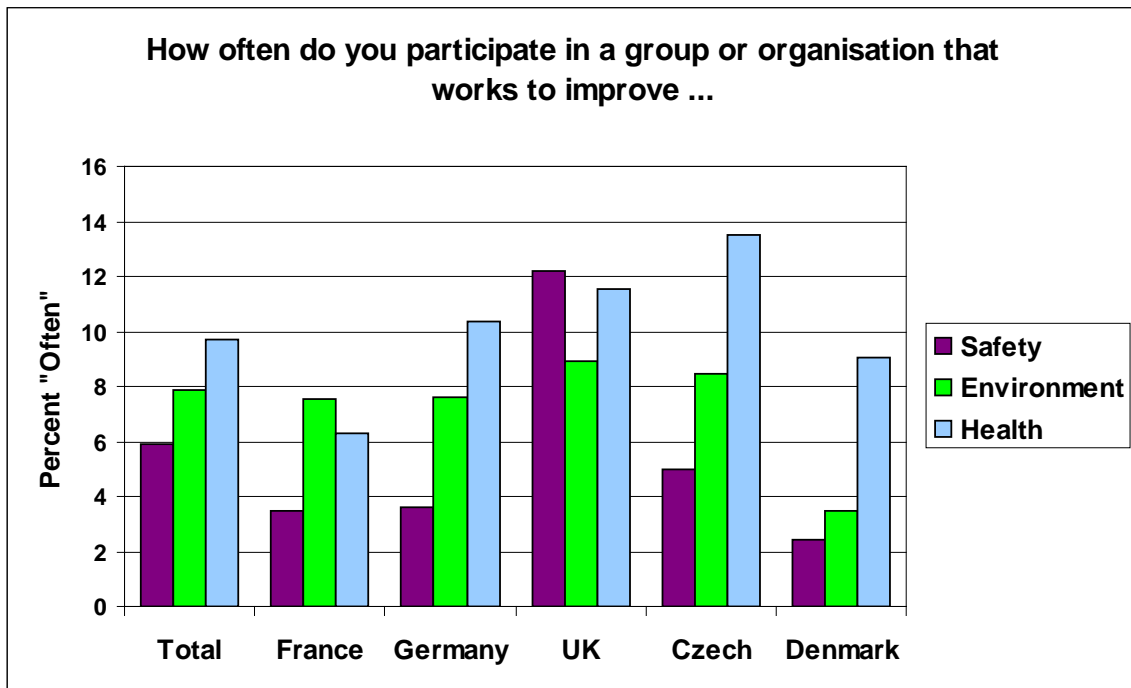
Yet another approach to distinguishing personal and community co-production is based on who organises co-production:

- Personal co-production often occurs in services where the co-production activity can be done alone by the individual (usually the service user, as in the case of a patient agreeing to self-apply dialysis at home, but sometimes a volunteer, e.g. a citizen who agrees to collate and report regularly on the complaints or compliments forms returned to a public service by its users);
- Collective co-production generally encompasses services where the co-production can only be generated by two or more people, working together as a group such as members of a time bank (Griffiths and Foley, 2009).
- Of course, some co-produced services involve both personal and collective co-production, e.g. recycling, where many individuals can take their recyclable waste to recycling centres, while others may agree to do a 'collection rota' in their neighbourhood.

This means that collective co-production will typically involve some kind of volunteering. **So is co-production simply a new label for volunteering?** While Griffiths and Foley leave this question unanswered, their definition of community co-production suggests that volunteering is simply of "instrumental" value, i.e. it is a means to an end. Some collective action for co-production, e.g. voting on potential community projects in PB initiatives, does not constitute volunteering in the normal sense of the word. Moreover, volunteering is often imbued with strong normative implications in the typical political rhetoric, stemming from the "intrinsic" values which it is believed to represent and to promote. It is interesting to note that in all UK participatory budgeting events the debate about "resources" has been restricted to the pot of money provided by the local authority but not about the resources brought in by volunteers and the values created by volunteers. As Löffler and Watt (2009) stress, local government has to become better at measuring the contributions made by users and members of the community, including volunteers. So it seems that collective co-production goes beyond the normal concept of volunteering and does not always have the normative connotations attaching to volunteering.

Finally, empirical research shows, only a few citizens wish to get engaged in some form of organised activity on a regular basis (Ministry of Finance, 2008). As Figure 2 shows, the level of regular participation of citizens in groups and organisations is highest in health (9.7%), followed by environment (7.9%) and then safety (5.9%). This is an interesting finding since the index of overall co-production activities of citizens is highest in local environment, not in health. The fact that more citizens 'co-produce' in health by getting organised may indicate a lack of availability of individual forms of co-production.

Figure 2: Levels of community co-production across five European countries



Note: Community co-production is defined in this survey as the regular participation of citizens in groups in order to improve outcomes, e.g. in community safety, the local environmental and their own health or health of other people.

Source: www.5qualiconference.eu

These findings are also supported by preliminary evaluations of participatory budgeting which show that typically the numbers of residents attending neighbourhood meetings or other so-called 'PB events' are very low, whereas the number who get embodied in 'non-social' or 'disembodied' PB through e-participatory mechanisms can be rather large as the city-wide and multi-channel e-PB approach of the City of Cologne shows (see the interview at www.govint.org). From a cost-benefit perspective, a key concern likely to become more important to local government in the recession is the question of whether the added benefits of such forms of community co-production justify the relatively high investment costs to develop a collective or community approach? Clearly, the most effective and efficient forms of community co-production tap into existing social networks, meaning that the costs associated with creating infrastructure and recruiting participants may in fact be lower than for more personalized schemes. The problem is that many disadvantaged citizens who need most help from the public sector are no longer part of social networks but first need to gain some self-confidence to perceive themselves as a member of a community. As Griffiths and Foley (2009) show, time banking may be one way to 'empower' such individuals and make them part of a community. Obviously, this process does not happen overnight and may require financial resources and professional inputs by local government. However, keeping disadvantaged citizens passive and dependent may be even more expensive to the public sector.

Another way to perceive co-production is to explore forms and levels of citizen involvement at various points in the service chain, including co-designing, co-commissioning, co-delivery, co-managing and co-evaluating (Pollitt, Bouckaert and Löffler, 2007; Bovaird, 2007). Clearly, real world behaviour does not always proceed in neat rational cycles, based on a theoretical notion of the order in which the different elements of decision making are made. So, we know that experience in service delivery can lead back to changes in service design, while evaluation findings can lead to a recasting of a more realistic set of objectives in the service chain. Nevertheless, for public officials and councillors this seems to a much more accessible way of relating to co-production.

What do we know - and what do we NOT know - about personal, community and efficiency aspects of co-production?

The State of the Art

There is a now an emerging body of literature from academia, think tanks and policy advisors which has mainly an agenda-setting function and explicitly uses the term co-production to raise awareness of the benefits of this new approach. This includes, for example, discussion papers by the Prime Minister's Strategy Unit (Horne and Shirley, 2009), the New Economics Foundation (Nef, 2008), the Social Market Foundation (Griffiths *et al*, 2009), Compass (Gannon and Lawson, 2008), the Social Care Institute for Excellence (Needham and Carr, 2009) and Dunston *et al* (2009). Most empirical research, however, looks at specific forms of co-production such as co-commissioning (individual budgets, participatory budgeting), co-design of public services (Bradwell and Marr, 2008) co-managing (e.g. the Quirk Review of community ownership and management of public assets (Quirk, 2007), co-delivery and co-evaluation.

Evaluations of co-production approaches are rare. **Clearly, one of the most well researched co-production initiatives is the expert patients programme (DH, 2006) and self-directed care in general (DH, 2007). Extensive evaluations have also been done on individual budgets (Glendinning *et al*, 2008) and budget-holding lead professionals in children's services (OPM, 2008).** Smaller scale evaluations have been carried out on co-production approaches in mental health services (Gannon and Lawson, 2008; Boyle *et al*, 2006) and family intervention projects (White *et al*, 2008). There is now also an on-going evaluation of participatory budgeting approaches in the UK, commissioned by CLG. **Interestingly, the focus of these evaluations is more on effectiveness than efficiency.**

Last but not least, **there is hardly any quantitative research on co-production in public services.** So far, most literature is qualitative, drawing on case studies – the most prominent being Alford's comparative analysis of co-production in postal services, employment and tax services (2009). The only international example of a detailed quantitative study is the 2008 citizen survey undertaken by Governance International in co-operation with Tns-Sofres in five European countries, including the UK, which shed some light on the scale or potential of co-production in three public services – local environment, health and public safety. As Matthew Horne, Head of the Innovation Unit, has suggested, these statistically representative data cannot be simply dismissed and

provide some hard data that we are already well under-way in the path to co-production of public services.

So what can government learn from the existing research? In 2008, the government used the research in the Bovaird and Downe (2008: p. 39) policy paper for CLG, to illustrate a number of themes in its White Paper on citizen empowerment. First, it cited the argument in the policy paper that, **in relation to user participation in service delivery, it may be unrealistic and inappropriate to expect a very large proportion of the population to be involved in 'deep' engagement activities. Clearly, this is a major issue in citizen engagement – but still under-researched.**

Again, the empowerment White Paper cited evidence from the policy paper (p. 57) that many active citizens are driven by strong positive motivations, such as a wish to 'get something done'. But it noted that such motivations can be couched in less positive terms – for example, a wish to fight against something, or counter the interests of others (Grimsley *et al.*, 2005). We also need to take into account that some cases of co-production involve coercion as for example, parenting contracts. So co-production may also be motivated by negative incentives. Clearly, **there is still very little convincing research on the motivations and incentives behind either individual or community co-production.**

Finally, the empowerment White Paper highlighted the findings of the survey of local authority officers in 2006 (part of the Meta-Evaluation of the Local Government Modernisation Agenda) which found that the great majority of them believed that public engagement in their authority or service had led to better services. Bovaird and Downe (2008) reported from this survey that engagement had led to:

- services that were more responsive to the needs of users (89%)
- more informed decisions (86%)
- more accessible services (81%)
- higher quality services (79%)
- more 'joined up' services (76%)
- better value for council tax payers (59%)

However, the findings of the EU survey, based on the responses of citizens rather than local authority officers, were much less positive on this score – they were consistent with the possibility that co-production of public services (possibly because it gives users and citizens such a vivid insight to the internal processes of service design, management and delivery) may lead them to be less satisfied with public services (see also, Löffler and Watt, 2009).

Research gaps from the perspective of different stakeholders

However, this commentary from government on work done on co-production gives only an indirect indication of what government wants to know about co-production – and it is a central government rather than a local government perspective. What are the gaps from a local government point of view? In order to answer this question properly some market research would be needed which is missing at present. Indeed, **there has been very little research focusing on the perceptions and needs of professionals working in a co-production context.** As a National Consumer Council/Unison project

found out there may be high levels of distrust between professionals and users, at least initially (Needham, 2008). This was also a major finding of research related to time banks (Seyfang, 2004; Boyle et al, 2006a: 53). The attitudes and behaviours towards co-production by different stakeholders in local government must be a key area for research. It would be especially valuable if it could highlight the kinds of circumstances in which these attitudes and behaviours are most likely to be changed, whether by forces external to local government (e.g. government policies, new service delivery partnerships) or internal (e.g. local authority policies, budget shortages or the dissemination of 'revealing practices' and emergent co-production strategies within an authority).

Clearly, the needs of different stakeholders working in local government will be different. The table below attempts to match the challenges identified for personal, community and efficiency with the perspectives of different professional groups in local government.

Table 2: Interests of key local government stakeholders in co-production issues

Professional groups	Interest in co-production	Research gap
Front-line staff	<ul style="list-style-type: none"> • How to harness the expertise, resources and voluntary compliance of users/communities • How to manage risks when things go wrong or users/communities are no longer committed? • How to ensure that professional status and rewards are not undermined by a move to user- and citizen-centric services? 	<ul style="list-style-type: none"> • Use of social marketing, viral marketing and other influence strategies to generate greater involvement by users and communities in co-production • Positive and negative incentives needed to mobilize and make sustainable a greater level of co-production • Barriers to co-production from the side of users and communities • Potential losses to professional status and rewards
Middle managers	<ul style="list-style-type: none"> • How does co-production help to improve outputs, service quality and outcomes? • What new information and communication systems are needed? • How will user- and citizen-centric services necessitate different skills in different managerial groups, e.g. balancing self-directed services by users against risk management 	<ul style="list-style-type: none"> • How to integrate co-production into standard customer service and quality tools? • How to assess the potential gains and risks from user and community co-production in ways which will be understandable to users, active citizens, managers and politicians
HR managers	<ul style="list-style-type: none"> • What are the implications of co-production for staff recruitment and training? • How to bring about cultural change of the organisation and its partners? 	<ul style="list-style-type: none"> • What are the implications of co-production for professional culture change? • How will frameworks for planning and managing staff competencies be altered by a greater focus on co-production?

Professional groups	Interest in co-production	Research gap
Finance managers	<ul style="list-style-type: none"> • Efficiency issues, in particular whether community/user input comes at a higher opportunity cost than the professional input it is replacing • How can ICT investment increase the scope for service improvement and for cost reduction? • Can co-production reduce future investment needs in public services? 	<ul style="list-style-type: none"> • What are the potential effects of individual and community co-production on cashable and non-cashable savings in local authorities? • Is there a predictable trajectory in the effects of ICT for co-produced services upon service costs and service quality
Performance managers	<ul style="list-style-type: none"> • How to assess outcomes of co-produced services? • How to assess the direct and indirect benefits from co-production • Where does co-production fit into CAAs? In particular, how does co-production contribute to NI1-7 	<ul style="list-style-type: none"> • How much difference does co-production make? • And how does this differ between services? • How robust are these differences when some allowance is made for the value of time contributed by co-producing users and community members?
Chief executive	<ul style="list-style-type: none"> • How to use co-production as an efficiency strategy? • How to adapt organisational structures to make co-production effective? • How to decide the scale of co-production in the organisation? 	<ul style="list-style-type: none"> • How is the cost-effectiveness of different strategies for 'getting more for less' affected by co-production? • How does co-production contribute to different approaches for 'getting more for less' and how could the efficiency increased from these strategies be measured? • How 'much' co-production can a local council deliver and what kind of partnership working is needed to scale up co-production?

Professional groups	Interest in co-production	Research gap
Councillors	<ul style="list-style-type: none"> • How does co-production influence accountability? • How can councillors play a role in mobilizing co-production in the community? • How can the limitations and potential downsides of co-production be taken into account in council decision making? 	<ul style="list-style-type: none"> • How does increased co-production affect the public's perception of the quality of local government services? • How does increased co-production affect the public's level of trust and confidence in local government? • What are the resource costs imposed upon service users and other citizens during a move to greater co-production • To what extent is co-production being imposed on users and citizens, who are unwilling or unable to make the most of it, so that they end up disadvantaged by this model of service design and delivery?

Better dissemination of existing and in-pipeline research –suggestions towards an action plan

Clearly, some of the research gaps identified above will require new research. **However, in the current fiscal climate one key issue is how to make better use of existing research and that research which is already in the pipeline but which still can be influenced.** Obviously, this not only concerns the research community but also intermediary bodies, such as think tanks, training institutions, professional and representative bodies. Box 3 outlines some key elements of such an action plan.

Box 3: How key research co-producers can make better use of existing research

Research community

- Draw better on research from private sector (e.g. on co-design, co-creation)
- Look at cross-sector co-production issues
- Undertake more international comparisons
- Look at co-production issues from the point of view of key stakeholders

Think tanks

- Avoid term co-production
- Provide more case studies, killer facts, killer stories, headlines ('the best health service is a mother') and hard evidence
- Write stakeholder specific strategies for achieving their objectives through some aspects of co-production

Local government umbrella bodies (LGA, IDeA, National Consumer Council, Audit Commission, etc.)

- Develop toolkits and 'how to' guides for their members
 - Bring in users and community members to make sure that these instruments are user-friendly
 - Ensure that all policy and managerial seminars have inputs from users and community members – a clear commitment to user and community co-production of policy and of key outputs from the organisation
-

So what kind of actions could be suggested to key stakeholders involved in the 'research production and marketing' chain for co-production in public services? Clearly, as the research community is likely to argue, more research is needed. While there are certainly many research gaps – the most important of which we have tried to identify above, it may be beneficial also to set up a new database which allows the collation of existing research from the public and private sectors, different policy sectors and international studies. For example, it is striking that the public sector co-production literature makes little reference to co-creation approaches and experiences in the private sector (see, e.g. the 2000 Harvard Business Review article, "Co-Opting Customer Competence" by C K Prahalad and Venkat Ramaswamy). Furthermore, it is striking that there is little co-operation and exchange of knowledge between researchers working on co-production issues in social services, environmental sciences and technology – e.g.

how to design more enabling environments and technologies for everyday living. Moreover, the climate change agenda is an obvious candidate for closer co-operation and comparisons. Last but not least, there is a rich database of international co-production innovations which is waiting to be exploited for policy transfers – for example, the recent European Public Sector Award (www.epsa2009.eu/) shows many interesting cases which could be fitted under a co-production label. One very obvious bracket which could bring all these streams of research together is looking at co-production from the point of view of key stakeholders such as the elderly, disadvantaged citizens, etc. Such a citizen-centered research perspective would not only help researchers to understand better how different approaches of co-production within the service and outcome delivery chain fit together but also be appealing to key decision-makers in local and central government.

As think tanks play a key role in transferring findings from research to local government and other stakeholders with an interest in local government, it will be key to market the 'co-production idea' more effectively. In particular, **there is a lot of evidence which suggests that the term 'co-production' should be substituted by terms which are already being used in local government and which local government finds it more natural to use.** There is no harm in showing the links between various 'co-production approaches' but such conclusions should rather come at the end than being introduced up-front.

Another issue is how to 'package' co-production approaches. We have already referred to the need to provide more vivid showcasing of research findings ('killer facts', 'killer stories', headlines etc) to a local government audience. The innovative social marketing campaign of "five ways to well-being" of NEF show a possible way forward to raise the awareness of local government. Research into how research findings can be packaged to have greater impacts upon their intended audiences would be valuable here, following on from the recent interest in this filed in many other research fields.

Finally, local government umbrella bodies are likely to have an important role to play in making 'co-production' approaches 'fit for purpose' by developing toolkits and 'how to' guides for their members. These instruments will not just require inputs from professionals but also from users and community members to make sure that they help local government to harness the expertise and resources of citizens better. Furthermore, it would be an interesting – and consistent - principle to suggest that all policy and managerial seminars related to co-production issues should have inputs from users and community members, which would mark quite a change from typical seminars which are delivered by professionals only. Some research on how the source of the 'co-production' message influences the recipient would be valuable (and, after all, this is one of the rationales for using 'expert patients' to recruit new 'expert patients' for co-production of care for those with long-term conditions).

The availability of new social media may help to spread messages more effectively and quickly to different audiences and to co-ordinate existing research better as there is now more transparency as to 'who' does 'what'. Again, valuable research might be done into how the different social media can be packaged and promoted to different stakeholders (service users, their 'significant others', professional staff, managers, etc.) in order to

explore the relative effectiveness of different approaches – but also to map the limitations of e-co-production.

Short-term and longer-term research needs

Role of the Research Councils

Clearly, these research issues potentially span the whole range of UK Research Councils. While there has been particular interest in user and community co-production on the part of social scientists in recent years, the research issues highlighted here suggest that a fully successful approach to co-production may need an understanding of its potential and its implications from much wider perspectives. For example, research through EPSRC might counteract the over-focus in UK public services on person-to-person service mechanisms, partly born out of three decades of low capital investment, which has led to serious under-estimation of the value of technology (apart from ICT) in improving user quality of life. Such research, might for example, demonstrate how modern design and technology for everyday living might allow users a much greater degree of autonomy and independence in their lifestyles, with less need for intervention from carers. Again, research through MRC and NERC might explore how behavioural change (of individuals or groups) towards greater co-production might best be encouraged by public services, in such a way as to improve outcomes in health or environment. Research through AHRC might explore how the arts could be used to trigger greater self-confidence of users so that they are more prepared to contribute to the public services from which they benefit and how they might trigger more greater social interaction between service users, their communities and public agencies, so that self-organising activities in the community can be made more productive in terms of public value.

General research challenges in co-production

Summing-up the issues outlined in this paper, there are a number of short-term and longer-term research needs which emerge from the papers focusing on personal, community and efficiency aspects of co-production.

As stressed above, **the first challenge for the research community, think tanks and local government umbrella organizations is to find mechanisms and a language to make professionals more aware of this concept and to help them understand why it is becoming more prevalent in practice.** This may mean that co-production has to be relabelled and better explained in ways which will be clearer to these stakeholders, especially councillors. In particular, it is important that both professionals and councillors understand more clearly how different public services are already supported by co-production and where and why co-production breaks down.

Secondly, this involves more qualitative and quantitative research on the perceptions, expectations and risks associated with personal and community co-production of different professional groups in local government. In particular, we need to learn more about:

- what different stakeholders, especially councillors, understand by the concepts around 'co-production', 'co-design', 'co-commissioning', 'co-delivery', etc?
- what are the sources of resistance to the concept?

Specific research issues with potential for future research

A range of **new research issues** have been explored in this paper which it would be valuable for the Research Councils to address in the medium to longer term.

From the point of view of personal co-production these include:

- What skills do service users need in order to be able to co-produce effectively?
- What incentives are most effective and appropriate at encouraging co-productive behaviours?
- What are the advantages and disadvantages of co-production taking a compliance route, such that people are penalised for non-involvement?
- How can the workforce challenges of co-production be effectively mapped? What sorts of professional development resources are required to support staff in their roles as co-production facilitators?
- What are the distinctive challenges of trying to embed co-production in services where staff act as gatekeepers to scarce resources?
- How can traditional asymmetries of information between professionals and service users be overcome so as to draw in user expertise most effectively?
- How far can the budget-holding model be applied to other services?
- How can multiple budget streams be integrated to facilitate budget-management by service users?
- What sorts of technologies (pre-payment cards, online brokerage and support services) are required to support co-productive approaches?
- What new actuarial models will be required to support service users and organisations in balancing safeguarding with risk enablement?
- What can be learned from co-production case studies in the UK and internationally about how to mitigate any inequities which co-production may foster?

From the point of view of community co-production these include:

- An investigation into the ways in which various forms of co-production, and collective co-production in particular, build trust and solidarity through developing the relationships between citizens and between citizens and government.
- An examination of the ways in which co-productive approaches, and the involvement of active citizens, can be used to challenge anti-social norms and boost community outcomes.
- An investigation into the extent to which collective approaches to co-production can escape the equity challenges of individualistic approaches, where more assertive users tend to benefit most from their relationship with the state.
- An examination of the institutional barriers to rolling out more radical forms of collective co-production such as PB. How can resistance within traditional local government structures be overcome?
- Further study of the ways of encouraging involvement in collective co-production: in particular, given financial constraints on local government, there is room for further examination of how the internet can be used as a means of reaching a wider group, especially in rolling out PB programmes.

From an efficiency perspective these include:

- Understanding more clearly the resources which users and communities can bring to services.
- Understanding better how to measure the value of these resources.
- How can we assess the value of outcomes directly, rather than trying to put values on outputs?
- Does use of co-production in public service provision increase the reliability of evaluations of outcomes inferred from users' behaviours or attitudes?
- **How can broader benefits from co-production be measured in such a way that they can be incorporated into the efficiency analysis – in particular, what are impact is co-production likely to have on:**
 - **benefits experienced by citizens other than those directly benefiting from co-produced services (e.g. reassurance of neighbours and friends that services are working for the user, demonstration of the availability and effectiveness of services which citizens may expect to use in the future, etc.); and**
 - **social value-added (or subtracted) from co-produced services (e.g. because co-producers are more alert to the possibility of achieving social inclusion outcomes from their activities).**
- **Clearer understanding of the costs of co-production to all stakeholders involved and how these costs might be measured.**
- **Better understanding how to measure the inputs of volunteers in a community co-production context.**
- **How is the cost-effectiveness of different strategies for 'getting more for less' in local government affected by user and community co-production?**
- How can citizens be involved in the de-commissioning of services in meaningful ways?
- How will e-government, particularly the new, more interactive web 2.0 technologies (such as Twitter and Facebook) increase the ability of service users to increase co-production of public services and affect council service costs?
- How can the use of technological solutions (e.g. assistive technology) affect the ability of service users to increase their co-production of public services (or avoid relying upon public services)?
- How can the use of behavioural change approaches encourage a greater contribution by citizens and service users to their own health and 'wellness', thus reducing the need for health and social care services?
- How can the use of behavioural change approaches encourage a greater contribution of citizens and service users to improving the environment, both at local level and more widely?

- How can the efficiency implications of co-production be more clearly set out and illustrated for councillors?
- How can the balance between short-term costs and longer-term benefits of 'preventative co-production' be illustrated more clearly to stakeholders, especially councillors?

Maximising the value of a research programme into user and community co-production

The above suggestions for research should not be taken as exhaustive – they tend to reflect in particular the interests of those researchers who have so far been active in the area, rather than map the whole of the potential research field. In order that a much fuller mapping be available before final commitments are made to a research programme, we suggest that a very general call for Expressions of Interest from all of the Research Councils would be of great value, allowing imaginative proposals from researchers in all research fields to consider how they might contribute to research into user and community co-production of public services.

In addition, we suggest that new research being commissioned in the UK would benefit from comparative international research, especially given that some of the most active researchers into user and community co-production have been working in the US and Australia, while important parallel work has long been done in the international development studies field.

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Collective Co-Production: Working Together to Improve Public Services

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Purpose of the paper

This paper examines the idea of ‘collective co-production’. We begin by setting out what we understand by the term; introducing its perceived benefits; and relating it to contemporary debates in local government. In the second section, we examine collective co-production in practice, drawing on three case studies – peer support groups, time banks and participatory budgeting – which shed light on the advantages and disadvantages of this approach to public service provision. Finally, we conclude with a brief discussion of the future research that needs to be carried out in this area, and suggest some of the steps required for collective co-production approaches to be successfully used by UK local government. The paper is written for a dual audience: it aims to give an overview of issues in the research; and to introduce the idea to interested groups in, and associated with, local government.

The political philosopher David Miller argued that there are, broadly, three ways of providing goods and services: market, state and community (Miller, 1989: 17-18). The post-war welfare settlement largely rested on the second: a standardised, top-down and bureaucratic model of provision, reliant on the state to distribute goods and services. This has been undermined by a number of social and ideological shifts, including the decline in traditional social deference, the advent of a more consumerist society and the rise of neo-liberal arguments (Griffiths, Foley and Prendergrast, 2008, ch. 1). During the 1980s, there was a move towards the ‘new public management’ model, in which (‘quasi’-) market mechanisms were introduced into models of provision, providing service users with a greater degree of choice between providers, and making explicit the distinct interests of users and producers (Prabhakar, 2010: 199-200). Many aspects of this trend have continued under New Labour, with much of the emphasis resting on the user’s entitlements to exercise choice and the need for services which are personalised according to individual needs (Griffiths, 2010: 58-61). (Although there have been some tentative explorations of alternative approaches, such as the ‘empowerment agenda’, introduction of the ‘duty to inform, consult and involve’, and participatory budgeting pilots, as we discuss later.)

However, many critics have argued that neither state nor market models have delivered successfully, particularly in terms of quality of outcomes and user wellbeing. Both

models of public service delivery have, for example, been poor at tackling seemingly 'intractable problems', such as social mobility or child poverty, and many user groups complain that they feel that they are treated as passive subjects rather than active citizens in their dealings with the state (Croft and Beresford, 1990). Attention has increasingly been devoted to other approaches. This paper focuses on 'collective co-production' – an idea that supports the empowerment of communities and groups over control by market or state. However, as with other forms of 'co-production', it is the recognition and development of dynamic relationships between the various actors responsible for the provision of public services that is crucial. In the following section we examine the idea of collective co-production in more detail.

1) *Defining co-production*

Co-production models have gained ground both because of the failures of traditional approaches to deal with the kind of problems discussed above, even in times of prosperity, but also because they offer the possibility of providing better value in light of the economic constraints that will be placed on public spending in the coming years (it was this latter context which saw much of their original development in the early 1980s in the US - Brudney and England, 1983: 59).

The co-productive approach – involving negotiation and partnership between the users and providers of public services – was pioneered by Elinor Ostrom, an American political scientist who was awarded the Nobel Prize in 2009. The concept has gained prominence amongst policymakers and, in the UK, a number of central government initiatives have sought to incorporate a co-productive element. Most of these schemes have worked to open channels for communication and negotiation between individual service users and providers. However, in recent years this central government focus on 'individualised' forms of co-production has perhaps come at the expense of the concept's 'collective' forms. Collective co-production seeks to move public services away from the centralised, standardised, competitive agenda, towards a model of provision that is more localised, flexible and, above all, collaborative. It expands the concept of 'service users' to encompass local communities and wider societal networks. In this sense, it may be better placed to tackle some of the seemingly intractable

challenges set out above. However, to realise the potential of collective co-production will involve a number of changes within government, particularly at the local level.

The concept of co-production has spawned a broad range of literature within both the academic and policymaking fields. This literature offers numerous definitions and, given the “excessive elasticity” of the concept, there is some danger that the ‘co-production’ label could begin to be applied as a catch-all term (Needham, 2007: 224). In setting out the content of the idea, it may first be useful to outline not simply what co-production consists of but also what it is not. Co-production should not be confused with self-help or philanthropic approaches. It is not synonymous with a model in which the third sector or citizens themselves take on responsibility for areas previously overseen by the state (although it can encompass self-help and philanthropic elements). Nor is it the same as those approaches which seek user input and participation via consultation in public services, although these techniques can be used with co-productive approaches.

There is some debate about the extent to which co-production can be defined as a passive or an active process. In order to ensure that the concept retains some defined meaning, distinct from the myriad points at which citizens ‘engage’ with the state in their everyday lives, we argue that co-production is not associated with *passive* compliance. Refraining from vandalism, littering or crime does not fulfil the criteria for genuine co-production (any more than the authors’ decision not to rob a bank means that we are co-producing a lack of crime). We argue that the co-productive process centres on an *active* partnership between citizen and state (so, by contrast, forms of active compliance in which norms are changed can constitute co-production). At the most general level, the term should incorporate a degree of participation, negotiation and collaboration on the part of both service users and providers. Brudney and England recognise the active element of co-production in their classic article, arguing that:

The collective approach rejects the traditional view of the service delivery process in which government – ‘the server’ - delivers services to a largely inert populace – ‘the served’. Instead, city officials seek alternative service delivery arrangements emphasizing direct citizen involvement (Brudney and England, 1983: 64).

Individualistic and Collective Co-production

Within this broad definition of the term, commentators have begun to distinguish between different categories of co-production. The most practically significant of these is the division between ‘individualistic’ and ‘collective’ forms of co-production. While central government has had some success in incorporating elements of individualistic co-production at the point of service delivery, the role of collective co-production has been less well developed. This is an area in which input and coordination from local authorities will be vital.

Individualistic co-production involves a ‘vertical’ partnership; negotiation takes place between the individual service user concerned and the frontline provider responsible for helping them. This form of co-production is, in many ways, the easiest to implement – citizen and provider already experience some degree of interaction at the point of service delivery and may simply need improved channels and mechanisms for communication and collaboration. As such, recent moves towards co-productive approaches in UK policymaking have centred on the individualised model operating at the point of delivery, such as the signing of Home-School Agreements, or the use of Individual Budgets in social care.

The idea of collective co-production, by contrast, involves expanding this conception to encompass *groups* of citizens in shaping and administering public services. As such, it involves fostering ‘horizontal’ relationships between active citizens in addition to their ‘vertical’ relationship with the state. This may occur through patients running peer support groups for those with similar conditions, tenants and housing officers attending a forum to discuss service delivery and outcomes, or citizens taking part in budgeting decisions for publicly funded projects.

The benefits of co-production

The two forms of co-production are associated with a number of important benefits, accruing to both citizens and the state. These benefits can be roughly divided between the *instrumental* and *intrinsic* value of the approach. At the instrumental level, co-production can significantly improve service outcomes. Through its recognition that service users and frontline providers have unique insights and expertise as a result of

their direct experience of service provision, a co-productive approach offers the chance to allocate resources more effectively and efficiently. The active involvement of citizens also leads to service users who are knowledgeable about the costs and limitations of service delivery and more pro-active and responsible. Effective co-production can therefore lead to both better outcomes and improved value for money.

At the intrinsic level, co-production serves as a means of linking public service provision with a broader conception of citizenship. Involvement in co-production not only allows easier identification of problems and challenges for service delivery, but can also foster trust and communication between service users and providers. It alters attitudes, producing citizens who are more socially and civically aware, and develops community networks and social capital. As Gannon and Lawson put it, “co-production can strengthen the intrinsic values of the public domain, providing a moral underpinning to the notion of public service” (2008:14).

However, the particular form taken by co-productive approaches will affect the types of benefits which result. A recent focus on individualised co-production at the expense of its collective forms may limit the concept’s transformative potential, since, in many cases, the benefits that can be accrued from collective co-production go above and beyond those generated by individualised activities. As well as offering instrumental benefits, it is only the kinds of collaborative forums associated with collective co-production which open the way for many of the intrinsic benefits discussed above. The collective approach not only builds trust and improves relationships between service users and providers, but also contributes to more cohesive communities and offers new channels for the creation of social capital. As, we note in the final section, more research on the way in which trust develops through collective co-production approaches, in particular, would be useful.

Collective co-production also offers a means of tackling one of the most important objections levelled at the co-productive approach: that, since some citizens will be better equipped to negotiate and contribute than others, the benefits of co-production will always be distributed unequally. Collective co-production, if administered effectively, offers a potential means of overcoming aspects of this problem. As it involves active

outreach and a much broader base for engagement, its benefits can be distributed more widely within the community. However, the extent to which this potential is realised depends heavily on the effectiveness of the administration of these schemes and providers' abilities to identify and counter the associated challenges. In the following section, we outline the role that local authorities can play in promoting effective models of collective co-production.

The role of local government in collective co-production

Despite the crucial benefits of collective co-production, it is yet to receive the same prominence in government initiatives as individualised approaches. In large part, this is due to the fact that collective co-production is virtually impossible to implement from the centre alone. While a top-down model can incorporate opportunities for negotiation between service users and providers at the point of delivery, collective co-production necessitates a much more localised approach. Given that centralised schemes have little means of tapping into local networks, as Needham points out, "there is a danger that any co-production that occurs will be individualised, transactional and substitutive" (2007: 225).

Such issues point to the vital role that local authorities will play in facilitating collective co-production. While individualised approaches can be, and indeed are being, built into central policymaking, local government must take the initiative in deploying co-production to benefit the wider community. Doing so will not necessarily involve the creation of new social networks, but rather identifying and tapping into pre-existing networks operating within the community; as Gannon and Lawson put it, "the potential of co-production is that it is already happening and working in thousands of places across the country...It happens naturally. All that is needed now is a context in which it can happen more often in more places" (2008: 41). Local government, with its closer links to communities, can act as the vital element linking these informal networks to the state.

However, if local government is to play a role in facilitating collective co-production, it must also identify, and work to counter, the challenges which co-productive initiatives both pose and face. Collective co-productive schemes are easier to implement, and

more likely to be effective, when administrators can access and build on existing social ties, or a general desire to expand local networks. To identify needs and existing networks, however, will require stronger ties with local organisations, charities and frontline service providers. Local government will also need to address the demands associated with ensuring effective running of co-productive schemes. These include training requirements for staff, the question of formal recognition for citizens involved and the need to actively expand local networks to incorporate as broad a spectrum of the community as possible. Only by addressing such issues can government ensure that co-productive approaches do not create or exacerbate social and economic inequalities. The following section looks at existing examples of successful collective co-production in the light of these challenges.

2) Collective co-production in practice

This section provides three case studies of collective co-production at the local level. These examples were selected both to demonstrate the scope of collective co-production and due to the quality of evidence available on their impacts. The successes and challenges these schemes have encountered provide useful lessons for the future of local government involvement in this area, further discussed in the conclusion.

a) Peer Support Groups

The Government's Sure Start scheme encompasses a number of initiatives to support children and families living in deprived communities. Sure Start local programmes, administered by local authorities, voluntary and community groups, public service professionals, and parents themselves have proved one particularly successful means of incorporating collective co-production into service delivery. The use of peer-support supported by public agencies groups to promote breastfeeding amongst new mothers is one area where we see this effectively put into practice.

The public management academic, Tony Bovaird, has analysed one such initiative taking place in Gateshead (2007: 852). This scheme involved the use of peer support to supplement public awareness campaigns on the benefits of breastfeeding. Since the launch of the Sure Start programme in the area in 2001, nearly 50 local mothers have been trained as breastfeeding counsellors. These counsellors contact all new mothers

in maternity wards and pay them a visit after 20 weeks to answer their questions or discuss problems. Counsellors also operate a telephone helpline. Evaluations found that, typically, new mothers access the four support groups in the borough around once a month or more. Bovaird found, “the greatest advantage of this peer support approach is that new mothers are much more willing to talk to other mothers who have had similar problems rather than professional midwives or health visitors” (2007: 852).

An evaluation of a similar scheme run as part of the Sure Start programme in Mansfield also revealed positive results. Here, local midwives encouraged new mothers to join a feeding support group, and attended these meetings to offer additional advice and reassurance. A focus group conducted with the group’s members showed that all of the mothers involved felt more confident feeding their baby since attending the group, and all valued the opportunity to share common experiences and gain the support of other breastfeeding mothers. The participants noted that a collective approach was particularly valuable in areas such as parenting support, since all babies were different and it was best to choose from a range of solutions. This was viewed as the greatest advantage of a support group over individual consultation with a professional; as one participant noted, “you get ten different ideas on what to do, rather than the health visitor’s one opinion” (Sharp, 2004). However, professionals continue to play a vital facilitating role; most respondents felt that persistent encouragement from their midwife had been the key factor which galvanised them to join the group in the first place. As well as offering practical support, the group was also seen as a social opportunity, extending the networks of both the mothers and their children and acting as a forum to share advice and tips on all areas of motherhood.

Evaluations of such peer support schemes initiated and supported by public agencies offer a number of lessons for local government in facilitating the development of collective co-production initiatives: notably, the importance of horizontal relationships in gaining positive outcomes, and the importance of public awareness of schemes to ensure participation is as wide as possible. Above all, these evaluations both highlight the vital, intersecting roles of peer and professional support in creating collective co-production of outcomes. This cannot be a process which is initiated and administered by citizens alone, and government needs to ensure resources are available to support

professional involvement; the Mansfield evaluation explicitly requests that “the crucial role of the midwife in recruiting group members and providing informal support is recognised and that this provision continues” (Sharp, 2004). Yet professionals may also need support to carry out their role. Bovaird highlights the potential challenges for frontline staff in dealing with the professional/non-professional interface, particularly “how best to work alongside one another in a way that deploys professional input appropriately but also embraces the skills that support staff have in working with the local community and gaining the trust of parents” (2007: 852). Ensuring appropriate resources and support for frontline staff will be one area which government will need to address in facilitating collective co-production.

b) Time banks

Time banks are systems designed to coordinate mutual voluntary work. They are based on the premise that those normally benefitting from volunteering may also be able to participate and offer their skills, support or time to community projects. In this conception of collective co-production, the idea of reciprocity is key, as is the sense that local regeneration and development cannot be achieved unless as broad a spectrum as possible of local people are involved. The idea of time banking originated in the United States and was first examined by Edgar Cahn in the 1980s, but there are now over 100 time banks operating in UK communities (Cahn, 2000).

Time banks are grounded in the simple idea that time can be a means of exchange in the same way as money. Members of a time bank agree to give up an hour of their time to do something for another member of the community – this could be practical tasks such as cleaning or decorating, teaching someone a new skill or simply offering someone an opportunity for social interaction. Donating one hour of time means that individual later receives an hour in return. This creates networks based on reciprocity, solidarity and self-sufficiency. Given the number of time banks now operating in the UK, there is now extensive evaluation data. We draw on a review carried out by the New Economics Foundation (NEF) on the outcomes of a time bank established around Rushey Green GP practice in southeast London, as well as interviews carried out with the administrators of the ‘Skills Exchange’ time bank in Nottingham.

Members of the Rushey Green time bank, most of whom have physical or mental health needs, offer a variety of support to one another, from help with practical tasks to the opportunity to socialise. This particular scheme is administered by the local GP practice, a number of community organisations and, of course, the members themselves. The NEF study highlights several important benefits of the scheme's collective co-productive approach. In practical terms, the scheme has offered an alternative means of support for traditional carers, both within families and social services, as well as relieving some of the pressure on local health services. It has also offered a real boost to the wellbeing of those participating; the scheme helps to "build people's confidence and self-esteem by shifting the emphasis from areas where they are challenged or failing, to activities and skills that they enjoy and can share with others" (2002: 4). In addition, it can be far cheaper than conventional, medical therapies. Importantly, the healthcare professionals involved in the project reported it had broadened their view of interventions beyond simply prescribing medicine or referring patients to other agencies. One interviewee remarked,

The time bank has broadened the view of how we as clinicians see patients; so patients get some benefit even if we don't refer them to the time bank. We consider patients in more societal terms. Patients' groups often fail because they focus too much on illness. But [through the time bank] we've formed a community (NEF, 2002:5).

And the communal nature of the time bank also had knock-on effects for the wider community, establishing strong networks of self-help, trust and mutual support. As one participant put it, "I am supporting them, but if there's a time I need to be supported, I am sure they will be there for me" (NEF, 2002: 4).

The Skills Exchange, founded in a deprived area of Nottingham in 2007, now involves 200 local residents in time banking. The scheme was initiated in response to a public consultation, the results of which revealed concern about the declining sense of community in the area. The participants not only gain access to some services they would otherwise be unable to afford, but also the opportunity to broaden their social networks and boost their confidence through offering services to others. According to one administrator, the scheme is particularly attractive since allows members the freedom to "make what they want of it". Some participants simply take part to gain

access to specific services on offer, while others are keener to take advantage of the social opportunities afforded to them through the scheme.

However, particularly given the challenges facing the local area, this is not an initiative which can be sustained solely by residents themselves. As with Sure Start peer support groups, coordinating staff play a crucial role in the successful functioning and growth of the scheme, particularly through working to counter the self-selection inherent in much co-productive participation. The scheme involves a number of outreach activities and the provision of information via existing local services such as Sure Start groups and GP clinics. One administrator noted that many members, a number of whom have spent long periods unemployed, initially lack confidence and are unsure of the skills they might be able to offer. Staff work to overcome these barriers by asking all new members to take part in a sign-up meeting, at which they discuss their existing skills and the types of services they can receive in return. The time bank 'broker' then helps to familiarise participants with the process by helping to set up and negotiate their first meetings and transactions.

Evaluations of the project at Rushey Green also noted that extending participation is not something which occurs naturally and tends to require input from professionals. Again, most members needed professional encouragement before they felt ready to participate. The evaluation data also suggested that at least half the time bank's membership required ongoing support to keep them involved (NEF, 2002: 6). One third of participants reported they sometimes found it difficult to ask for help – something professional oversight was needed to monitor. Finally, professional help was needed to guarantee diversity of participation and ensure the scheme continued to focus its efforts on tackling social exclusion. As the evaluation states,

the success of the scheme has rested on its ability to mix people up and engage them on the basis of what they can do, rather than segregate them and confine them to activities organised around their particular health condition. The health centre is part of a rich network of help and support in local people's lives and the research implies that the time bank is most effective as part of this and therefore an integral part of the local scene (NEF, 2002: 6).

To retain participants from as broad a cross-section of the community as possible, governmental coordination can ensure that strong links are developed between public service professionals, local organisations and informal support networks.

A second challenge facing time banking initiatives is their ability to integrate with the wider network of local public service provision. As the scheme at Rushey Green highlights, close ties between existing public services and time banking initiatives allow for more effective targeting of participants and outreach on the part of time banks, and offer a broader perspective on patient needs and solutions available to professionals. However, administrators of the Skills Exchange project noted that coordination with local public services could be difficult to initiate, since professionals tend to operate in a closely regulated environment and were unsure about the potential role of less formal, community-based schemes. This is clearly an area in which local authorities could play a vital mediating role.

A third challenge – and one which affects all collective co-production initiatives relying on the time commitments of local volunteers – is the interaction between co-productive activities and paid employment. While the Rushey Green time bank had an exceptionally low drop-out rate, the evaluation found that “by far the most common reason for leaving the time bank is returning to, or finding, paid employment” (2002: 3). Administrators of the Skills Exchange project also noted that some participants left the scheme upon gaining employment. Given that the benefit system already recognises and rewards productive participation in certain activities, such as formal training, there may be a case for looking at the ways in which local agencies and the benefit framework more broadly could recognise and reward the contributions of those involved in co-production.

Finally, time banks, like many local initiatives, face a number of practical financial concerns. There remains the ongoing problem of finding *secure* funding sources; as Seyfang points out, “time banks are presently small in scale and are just beginning to consolidate their learning and experience, but they suffer from the effects of short-term and insecure funding” (2003: 704). In this respect, local authorities can and do offer one of the most secure and accessible sources of funding; administrators of the Skills

Exchange project reported that the offer of a regular source of funding had been the most noteworthy and valuable contribution of the local authority.

c) Participatory budgeting

Participatory budgeting (PB) is, in short, a democratic process in which community members directly decide how to spend part of a public budget (The Participatory Budgeting Project, 2009). The World Bank defines the concept thus:

Participatory budgeting represents a direct-democracy approach to budgeting. It offers citizens at large an opportunity to learn about government operations and to deliberate, debate, and influence the allocation of public resources. It is a tool for educating, engaging, and empowering citizens and strengthening demand for good governance (Shah, 2007).

Within PB there are liberal and radical strands, with the amount of power and money that local or central government cedes to citizens being an important distinction. Although PB schemes differ in scope, from small, specific local projects to city-wide allocations of funding, a typical scheme is likely to involve citizens identifying local needs, deliberating on how to meet them, electing budget representatives to discuss priorities with experts and developing projects that address them. Citizens then vote on which projects to fund before local government (or other bodies) implements the chosen projects (The Participatory Budgeting Project, 2009). In recent years the number of participatory budgeting schemes around the world has increased substantially. The most significant early schemes were in Latin America, notably the Brazilian cities of Porto Alegre and Belo Horizonte.

In the UK the concept has been a significant part of some of the latest thinking in Whitehall on ways to boost 'community empowerment', with the Department for Communities and Local Government (CLG) arguing that "participatory budgeting has become a key plank of the government's drive to devolve more decision on local services and facilities to local communities" (CLG, 2008a: 14). The concept has gained ground in the wake of the Lyons Inquiry into Local Government (2007). The Inquiry advocated devolving some powers from central to local government, and others from local government to local communities. It highlighted PB as one way in which local authorities could meet this request (Lyons, 2007: 194). The 2007 Local Government

Act mandated a 'duty to involve' for local government, which came into effect in April 2009. It required that local people should be informed, consulted or involved in other ways on services in their local areas. CLG's White Paper, *Communities in Control* (2008b), identified PB as one of the main mechanisms for empowering citizens. It also extend the 'duty to involve' to other agencies, raising the possibility of PB being introduced in new sectors (including crime prevention). The Government has also published a national PB Strategy, in which they announced "an ambition for all local authority areas to use participatory budgeting by 2012." (CLG, 2008a: 6) In the UK, Newcastle City Council has been a pioneer of PB approaches (although several councils are pushing this agenda forward). Newcastle piloted PB using £280,000 from Neighbourhood Renewal Fund money. Between 2006 and 2008 five projects were delivered across two pilot programmes. The first programme covered residents of all ages in Lemington, Denton and Woolsington. The second programme targeted children and young people across the whole city. Early evaluations of the schemes have been positive (Newcastle City Council, 2009).

Support for PB amongst many policymakers has been high. There are strong theoretical arguments for it, backed up, in many cases, by empirical evidence once schemes are in place. First, there are strong links between PB and community cohesion. It has been argued that it boosts civil activism (Wood and Murray, 2007), community cohesion (IdEA, 2008: 8), and social capital (Participatory Budgeting Unit, 2009). Second, PB both promotes and augments local democracy (IdEA, 2008: 18), encouraging involvement in the political process, and offering something deeper than representative democracy (Wood and Murray, 2007). There is a real tension between traditional representatives of local government, and schemes which aim to pass more power direct to citizens, communities, organisations or institutions. Third, PB can make spending more effective, by better focusing it on need as defined by citizens, rather than being mediated through representatives in local government or elsewhere (IdEA, 2008: 18). Fourth, PB can benefit the poorest the most, whilst raising overall standards. As the sociologist T.H. Marshall noted, public services have a role in redistributing wealth and opportunities. PB, by potentially empowering those neglected by traditional forms of democracy, fosters the redistributory elements of public services (Wood and Murray,

2007: 26). In Latin America, they have proved particularly effective at providing services to meet basic needs which had been previously overlooked (Wood and Murray, 2007: 26). Fifth, PB offers a possibility of squaring the circle between equity and devolution. There will be local differences in public provision, but these will not be decided from above, but from below, offering fairness whilst allowing for difference. Finally, PB fosters trust in politics, bringing citizens into a political process from which they can feel alienated.

However, whilst PB offers real possibility of change, they are not a panacea for all problems. Some issues discussed in the literature are particularly pertinent for UK local government. First, PB needs political support to survive (Goldfrank, 2007: 1), and the relationship with local representative democracy can be problematic (Participatory Budgeting Unit, 2009). If the will of existing political elites, at all levels, is not there, then running an effective PB process becomes impossible. Second, PB schemes tend to be small, taking up at most a fractional percentage of the total spending budget for a local area. The size of schemes means that have little impact on the wider macroeconomic changes. As one commentator found, "It is impossible to avoid the consequences of macro-politics of adjustment imposed at the federal level. No matter how fiercely the deconstruction of the public sector is fought at the local level ... cities still control only a thin slice of the national public budget" (Goldfrank, 2007). This point should be noted carefully for those expecting PB to solve problems at a time of global downturn. Third, although PB offers 'deeper' participation to citizens than representative democracy, only a small number of people are involved. In particular, concerns have been expressed that the very poor are excluded (World Bank, 2009). The extent of exclusion will vary depending on the design of the PB process and the willingness of local government, or the relevant body, to involve excluded groups. Fourth, there are considerable costs to running PB schemes. The Participatory Budgeting Unit notes four key areas of expenditure: a) municipal staff committed and trained to implement the process, including willing to work nights and weekends, b) transportation for staff and involved citizens, c) ample communication resources in order to share information with the public, d) personnel for the technical, economic and budgetary feasibility studies of the prioritised demands. They note that cities that have not planned for these costs have

often faced difficulties or had to suspend the PB process (Participatory Budgeting Unit, 2009). The extent to which online PB or e-PB (common in the rest of Europe and Latin-America) provides a way of saving costs whilst boosting involvement would be a fruitful area for further study in the current economic climate.

Of all approaches discussed here, PB is perhaps the form of collective co-production that offers the most radical shift in public service provision. As outlined above, there are strong theoretical reasons for pursuing it. However, in practice, PB exercises tend to involve relatively small amounts of money. For PB to work well it needs political support and investment to meet the various associated costs. To this, it should be added that the climate in the UK is not welcoming of these forms of direct democracy. It has been noted that one of the crucial factors needed for PB to be a success is a “degree of national decentralisation of authority and resources for municipal governments” (Goldfrank, 2007: 1). The centralist and statist tradition of politics in the UK in the post-war period – although arguably changing – does not sit easily with this warning. There must also be a recognition that these schemes take time to work. Many citizens are unused to being involved in this way and there has to be something of a leap of faith by local government or other bodies, whilst capacity is built (Participatory Budgeting Unit, 2009).

3) *Conclusions: Collective co-production and UK local government*

The existing evidence suggests that collective co-production offers a radical and exciting way of reshaping large areas of the public services. It is a diverse approach, encompassing a variety of methods, many of which for reasons of space this review has not been able to deal with. There are several general areas in which further research would be useful to gain a fuller understanding of collective co-production and its benefits and drawbacks:

- An investigation into the ways in which various forms of co-production, and collective co-production in particular, build trust and solidarity through developing the relationships between citizens and between citizens and the state.

- An examination of the ways in which co-productive approaches, and the involvement of active citizens, can be used to challenge anti-social norms and boost community outcomes.
- An investigation into the extent to which collective approaches to co-production can escape the equity challenges of individualistic approaches, where more assertive users tend to benefit most from their relationship with the state.
- An examination of the institutional barriers to rolling out more radical forms of collective co-production, such as PB. How can resistance within traditional local government structures be overcome?
- Further study of the ways of encouraging involvement in collective co-production: in particular, given financial constraints on local government, there is room for further examination of how the Internet can be used as a means of reaching a wider group, especially in rolling out PB programmes. (In this there is scope to draw on the European and Latin American experience.)

In terms of future local government involvement in this area, there are also a number of specific areas which we feel should be addressed. Collective co-production represents a significant challenge to the UK's traditionally centralised models of public service provision. While individualised co-production can to some extent be implemented from the centre, collective co-production necessitates the involvement of local government, both in its implementation and ongoing functions. Two key requirements for collective co-production require a coordinating structure with extensive local knowledge:

- First, the most effective examples of collective co-production have successfully tapped into pre-existing social networks and allowed these local groups to play a central role in shaping projects.
- Second, for the benefits of collective co-production to be realised fully, outreach schemes to broaden participation and links with existing public service providers need to be fostered.

Local authorities are in the best position to ensure both of these requirements are met, possessing both specialised knowledge of the local area as well as close links to public service providers. Recent case studies also highlight a number of specific challenges for

existing schemes, which future local government involvement in this area could help to counter. We feel that the following areas require particular focus and development:

- ***The role of administrators and professionals involved in collective co-production.*** Unlike individualised co-productive initiatives, collective co-production necessitates active outreach to engage with a much broader spectrum of ‘service users’. Case studies reveal that this kind of input from professionals or volunteers administering co-productive schemes is also key to overcoming the critique often levelled at co-production: that the numerous benefits of participation only accrue to the most confident, assertive citizens, rather than those whose needs are greatest. Professional support and encouragement is vital in building confidence and enthusiasm amongst participants, particularly those from traditionally marginalised groups. Securing funding for staff involvement and training those already participating to develop their ability to make contact with hard-to-reach groups should therefore be one priority for local government.
- ***Recognition of the role of citizens in the co-productive process.*** Collective co-production involves a much broader spectrum of participants than its individualised forms, many of whom may not receive direct or tangible benefits as a result of their involvement. Nevertheless, evidence suggests that participants in collective co-production tend to put a substantial amount of time and effort into these initiatives. This input brings a number of benefits for government, including improving the quality of service outcomes and reducing the pressure on existing service provision. However, the interaction between individuals’ contributions to such schemes and their other time commitments, such as childcare or involvement in paid employment, has not yet been addressed. Although there are certainly social benefits, the question of whether participation in co-production should be more formally recognised or remunerated in some way is one which now needs to be addressed by both local and central government.
- ***Facilitating links between pre-existing networks as part of collective co-production initiatives.*** Local authorities are uniquely placed to be able to foster links between potential contributors to the process of collective co-production, including public service professionals, voluntary organisations, community groups

and even informal social networks. What's more, schemes which possess these ties tend to be the most effective and efficient in addressing the needs of the local community. Working to generate and develop such links will be a vital contribution of effective local government involvement in this area.

- ***Recognition of the non-tangible aspects of collective co-production.*** Local government already offers substantial financial support to collective co-productive schemes. However, evaluations of these initiatives need to take the numerous non-tangible benefits associated with collective co-production, such as community cohesion or individual wellbeing, into account. There is a clear need to develop more sophisticated and nuanced evaluation methods to determine the relative success and financial viability of co-productive models. Since co-production remains an innovative and developing approach, in selecting projects for funding, local government should also seek to allow for a culture of innovation and experimentation. Given the variety of variables which contribute to the relative success of these schemes, an element of trial and error will be inevitable if more effective techniques to foster collective co-production are to be developed.

With users, providers and government searching for more effective, equitable and efficient means of delivering public services, collective forms of co-production offer exciting new possibilities. Collective co-production requires devolution of power, not only from central to local government, but also from local government to communities and citizens. As such, for collective co-production to work, experience has shown there must be the will within traditional political structures to enable it. Given local government's position at the nexus of communal and governmental structures, it is the political will and expertise found at this level which will be decisive in ensuring the concept's potential is realised.

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Understanding the Efficiency Implications of Co-Production

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Purpose of the paper

This paper is primarily designed to suggest to the UK Research Councils directions for further research into the potential efficiency implications of user and community co-production of local government services. It illustrates how research in each of the Research Council areas might increase understanding of how the user and community co-production agenda might lead to significant opportunities for public service efficiency savings.

The need to develop a business case for co-production

It is reasonably well understood in local government that users and communities have a part to play in delivery of many of the key outcomes which councils and their partners are striving to deliver, such as tackling obesity or combating anti-social behaviour. Indeed, all public services can be considered as 'co-productions' between government and citizens. So what is special about 'co-production' in local public services?

First, local government has a key role in commissioning and delivering many public services. The fact that user and community involvement in delivery of services and related outcomes is already important and likely to increase in the future means that local government has to rethink and re-design traditional service delivery models. Furthermore, local government will be particularly affected by the financial crisis. There is already widespread interest in the possibility that co-production might offer a service delivery model with the potential to achieve greater efficiency in local services and greater effectiveness of local government interventions. However, at present there is still little awareness of the extent of co-production in public services and little understanding as to what user and community 'co-production' can deliver both in terms of efficiency gains and greater effectiveness.

The concept of providing a 'business case' for co-production is based on the belief that co-production will not be taken fully seriously in many parts of local government unless there is convincing evidence of its potential for cutting local government costs, as well as improving service quality and outcomes. This also links with current work in local government to understand the business case for third sector commissioning, since it is widely thought (albeit not yet proven) that one of the benefits of third sector service provision is that voluntary and community organisations have a superior ability (compared with the statutory sector) to lever in the benefits of co-production.

In particular, this paper will explore the following issues and develop a research agenda relating to these issues:

- 1) How, in the local government context, can the value added by co-production be quantified, ideally in financial (or equivalent) terms?**
- 2) How can co-production be viewed as part of the range of options available to local service providers to achieve efficiency savings and improve effectiveness?**
- 3) Are the models for showing this readily usable by councillors making difficult budget decisions or are they necessarily too vague and impressionistic?**

Defining co-production

The fact that there is very little hard evidence on the benefits and costs of co-production is largely due to the perception that co-production is hard to define as a concept. In particular, some authors are unclear how user or community co-production is different from

- **service delivery by the third sector** which is currently a key research theme of the ESRC-funded Third Sector Research Centre (see <http://www.tsrc.ac.uk/>) and is one of the issues being debated within the ESRC seminar series in collaboration with the Scottish Council for Voluntary Organisations and the Scottish Government;
- **citizen empowerment and citizen engagement** which is the key focus of the current ESRC Public Services research programme “Choice and Voice” (see <http://www.esrc.ac.uk/ESRCInfoCentre/PSZ/Research/ChoiceVoice.aspx>);
- **service user compliance** which is an issue on which John Alford (2009) has recently done widely-cited qualitative case study research; and
- **preventative pro-active approaches to public services** which was the focus of a European study and citizen survey undertaken by Governance International in cooperation with Tns Sofres in 2008 (French Ministry of Finance, 2008).

Analysis of the evolution of the concept of co-production shows that **the idea of co-production is closely related to a key characteristic of services: As Zeithaml, Parasuraman and Berry (1990) point out, production and consumption of services are inseparable, as both require some contribution from the service user.**

Clearly, the essential idea of co-production is not new. It is not surprising, therefore, that there are many different definitions in social science literature, where co-production first became widely discussed in the 1970s (see Box 1).

Box 1: Definitions of co-production in social sciences

“In pure co-production ... the client does some of the (...) work which could conceivably have [been] done by the service company”.

Source: Richard Normann (1984), *Service management. Strategy and leadership in service business*. Chichester et al.: John Wiley and Sons, p. 81.

“ ... the missing factor – labour from the consumer – that is needed in every sphere of social endeavour”.

Source: David Boyle, Sherry Clark and Sarah Burns (2006), *Hidden work: co-production by people outside paid employment*. York: Joseph Rowntree Foundation.

“ ... the provision of services through regular, long-term relationships between professionalized service providers (in any sector) and service users or other members of the community, where all parties make substantial resource contributions”.

Source: Tony Bovaird (2007), “Beyond engagement and participation – user and community co-production of public services”, *Public Administration Review*, 67 (5): 847.

It is striking that none of these definitions clearly distinguishes between two very different types of co-production:

- **co-production approaches which add more user and community support to professional interventions ('additive' co-production); and**
- **co-production approaches where more efforts and inputs by users and communities are substituted for professional work and resources ('substituting' co-production).**

While both forms of co-production offer significant potential for improving the efficiency and effectiveness of public services, they have important differences in the implications which they have for different stakeholders.

Taking into account this range of considerations, we would therefore like to propose the following definition of co-production in order to understand the economy, efficiency and effectiveness implications of co-production:

“the co-operative behaviour by service users or other citizens (both as individuals and in organised groups) with the activities or policies of public service providers in order to create private, public and social value, where both parties play a significant role. In particular, co-production in public services

- ***conceives of citizens as active assets rather than passive consumers;***
- ***puts the focus on delivery of outcomes rather than just ‘services’; and***
- ***may be substitutive (replacing local government inputs by inputs from users/communities) or additive (adding more user/community inputs to professional inputs or introducing professional support to previous self-help)”.***

In a nutshell, **almost all services are co-productions**. But in some cases co-production is unsuccessful because public agencies struggle to make co-production work (because they have not got the right skills or competences for it) and in others its value is denied or downplayed (because it is not in line with the values of professionals or managers) which makes it less effective.

In Figure 1 we illustrate this idea graphically by considering the opportunities open to us of producing an outcome by different mixes of inputs from a traditional public service agency and by inputs from users and communities (Parks et al, 1981). At any given level of budget, there is a set of such combinations that we can afford – the straight line YX in the figure. (The slope of this line depends on the relative costs of the inputs of the public agency and of the users and communities. This raises the question of what these costs are, something we look at later in this paper).

Any given level of outcome can be achieved by using different combinations of inputs from the public service agency and from user and community members – the curve which shows these different combinations is called an ‘isoquant’. The lowest curve illustrates the highest outcome achievable if we used only professional public service provision – it is the level of outcome of the isoquant which goes through the point Y. The middle curve illustrates the highest level of outcome which can be achieved if we rely exclusively on user and community inputs – it is the level of outcome represented by

the isoquant which goes through point X. Clearly, in this case self-help produces a higher level of outcome than professional service provision. (This may not always be the case – it depends on the shape of the isoquants and the slope of the budget line. In Figure 2 we show a case where public agency provision would result in a higher level of outcomes than provision by users and communities alone).

However, the key argument of co-production is that we can achieve an even higher level of outcome if we combine both the inputs of the public agency and the users and communities. This is shown by the highest isoquant (lying to the right in Figures 1 and 2), which is still achievable at the same overall budget. The highest level of outcome achievable is where the budget line just touches the isoquant at a tangent – this is at point Z in Figures 1 and 2. This demonstrates the potential of user and community co-production with public agencies from the point of view of ‘technical economic efficiency’ (but expanded from the normal, narrow definitions of ‘inputs’ which have traditionally been used by accountants to include important contributions of users/communities, such as love, respect, faith and duty).

Figure 1: Alternative ways of producing outcomes

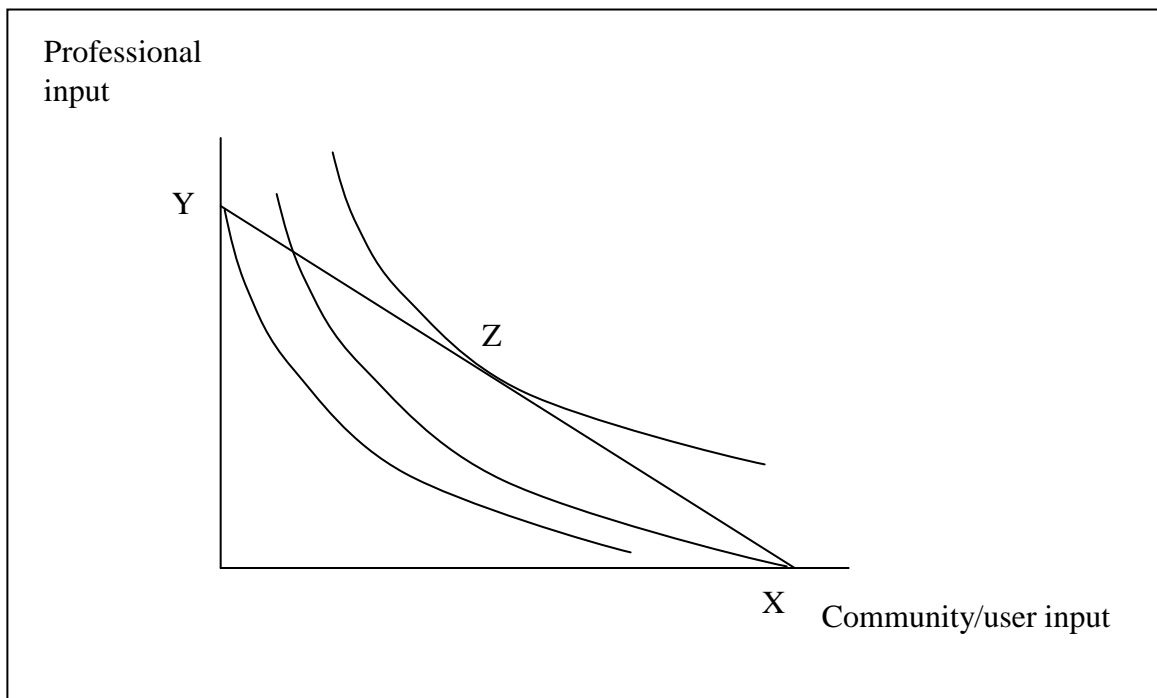
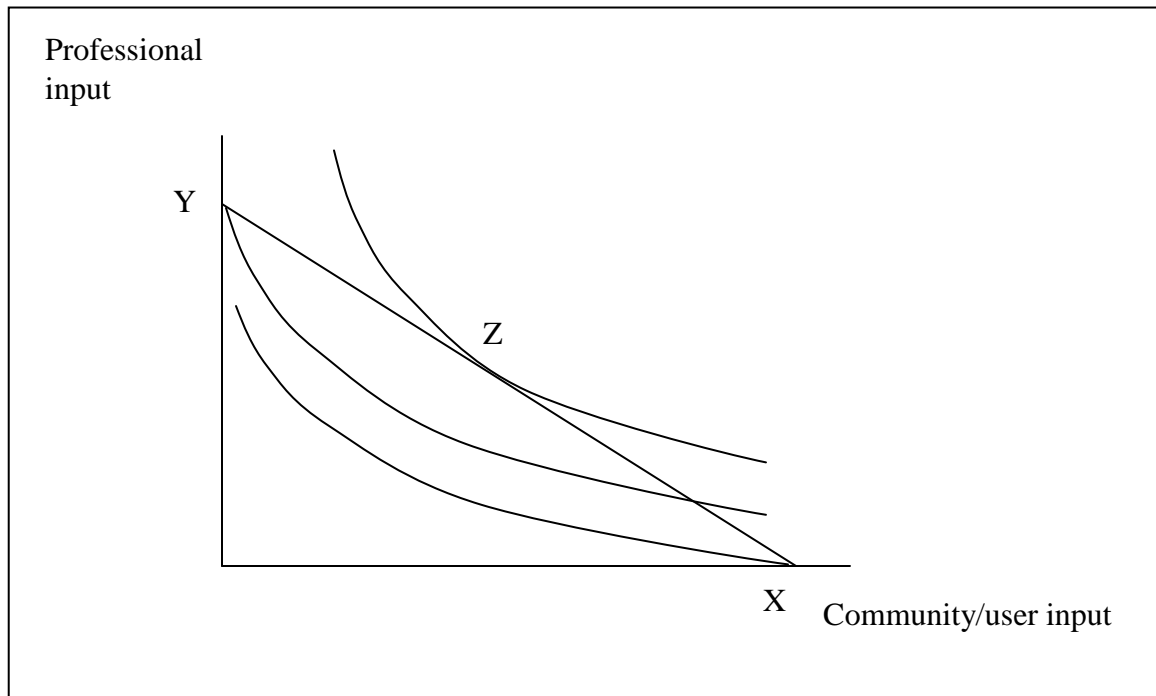


Figure 2: Alternative ways of producing outcomes



When considering benefits and costs of alternative ways of producing outcomes it is important to be clear on the standpoint for making such assessments. Thus we can consider alternatives from the point-of-view of the taxpayer, but changes that also impact on communities and users. If methods are changed to substitute community/user inputs for professional input, the taxpayer will benefit from needing to finance less professional input, but community/user participants will lose as a result of needing to provide more inputs (Greenberg and Knight, 2007, p.8; Boardman et al. 2006).

This immediately alerts us to a key difference between ‘user and community co-production’ and ‘user empowerment’ – **in co-production, we work on the basis that the user (and other members of the community) already have significant assets, which are important inputs to the production process, and of significant power.** The challenge is how to encourage them to place these assets and this power at the service of others – the role of the professional service provider is partly to mobilize these user and community assets and partly to find ways to maximize their impact when they are used. That’s easier said than done. After all, for generations housing departments told their tenants that they needed permission even to decorate their council homes, never mind to carry out alterations and improvements – it has taken decades of tenant involvement to prize open the possibility for tenants to co-produce a better housing stock with their landlords.

As John Alford (2009: 176) points out, the impact of ‘client co-production’ (which is what he calls individual co-production) on effectiveness and costs in the case of postal services, employment programmes and tax administration do not follow a specific pattern – the relationship of benefits to costs in his three case studies was haphazard.

Matthew Horne and Tom Shirley (2009:25), on the other hand, based on their summary of current evidence, suggest that “the greatest potential benefits are in relational services where the benefits outweigh the risks”. This difference in viewpoint concerning the evidence suggests that more empirical research is needed on how different public services are already supported by co-production and reasons why co-production breaks down in specific areas.

Box 2: Issues for research agenda

- Understanding more clearly how different public services are already supported by co-production
- Identifying where and why co-production breaks down
- Understanding more clearly the resources which users and communities can bring to services
- Understanding better how to measure the value of these resources

Modelling co-production as an exchange relationship between service users/communities and local government from a cost/benefit perspective

In this paper co-production will be modelled from the perspective of a local authority which is interested in the key issue:

In what circumstances is the cost-benefit gap greater for a local authority in using a co-production approach based on individual or community co-production, as opposed to other approaches to delivering services and achieving desired outcomes?

In order to shed light on this question, research needs to identify the added benefits a public agency receives from co-production but also focus on the added costs inherent in co-production. At the same time, it is important to consider the costs where co-production is lacking or in cases where co-production breaks down.

Benefits of co-production

In this section, we will make explicit what kind of benefits and costs may be considered in further research on individual and community co-production. Furthermore, we will develop a ‘value for money model’ to show how cost-benefit-factors relate to each other.

Four specific types of benefits are identified in the literature as being associated with individual/community co-production, including:

- **Reduced agency inputs** resulting in greater economy and efficiency in delivery services or achieving outcomes;
- **Increased agency outputs** which refer to the services delivered by an agency and which are typically easy to specify and measure (Alford, 2009: 19);
- **Increased service quality** as the user or communities bring in resources, in particular expertise and information not available by professionals. Furthermore, active involvement in the delivery process may change subjective perceptions of quality – an issue which will be discussed in more detail later; and
- **Improved outcomes** – this refers to the impact of agency inputs on target groups (i.e. individual users or communities) which is typically more difficult to measure

and often hard to link casually to outputs. But as Alford points out (2009:19), it may be the case that co-production has the objective of economising on agency outputs by contributing directly to a particular desired outcome. For example, if in the case of a local fire brigade the desired outcome is to reduce the damage of objects and people from fire, increased prevention activities of local residents (e.g. by installing fire alarms and checking them regularly) may reduce the number of emergency and rescue services a fire brigade has to provide (see also Audit Commission, 2008a).

It is also important to calculate the costs where co-production is lacking or has broken down. For example, most parents co-produce their children's futures as contributing members of society. However, a small number of parents do not co-produce their children's futures. This pathology of lack of co-production is costly to the state if not dealt with.

Traditionally, relating outputs and outcomes to inputs provides us with ratios known as the “**three E's**” (Audit Commission, 1984):

- **Economy** is the cost of the inputs, e.g. the salary per employee, the costs per laptop computer, etc;
- **Efficiency** is the output divided by (an index of) all the inputs. Usually, the only index of all inputs that is available is cost, which leads to the specific efficiency indicator of unit cost (e.g. cost per discharged patient, cost per crime cleared). Clearly, efficiency can be increased either by increasing the quantity of outputs (or their quality), or by decreasing the quantity of inputs (or their quality);
- **Effectiveness** is outcome (of a given quality) divided by output (of a given quality), e.g. number of young people placed in long-term jobs per 1000 training courses.

Looking at effectiveness in more detail, the standard approach in economics is to view the ultimate purpose of producing outputs as being the satisfaction of human wants, with the user having the authority for deciding what he or she values. The ultimate outcome of production is therefore subjective and consists of the feeling of satisfaction that occurs in the user's head as a result of using the service. In a sense, all production involves co-production, because the citizen will always be responsible for this final stage of the production process. However, the focus of this paper is on the inputs by co-producing users to the production process, not simply how they interpret what they receive from the production process.

The increase in user satisfaction produced by a one-unit increase in an output can be termed the marginal valuation of the output and this is equivalent to the marginal valuation of the outcome which is not usually directly measurable. For services that are traded on the market, relatively good information is given on marginal valuations of outputs by the market prices at which they are traded. In the case of electric wheelchairs, most are bought privately and not provided by public agencies, so we have good information about how much they are valued by those private users. However, for most government services, this kind of price information is not generally available – the service is provided free to the user.

Consequently, there needs to be some other way of approximating the marginal value of what is co-produced in public services (Watt, 2006; Stevens, 2005). As neither marginal values of outputs, nor marginal valuations of outcomes are available for public agencies, but need to be estimated, approaches to estimation can either focus on trying to value outcomes or outputs, whichever appears more practical in a particular case (Dawson et al. 2005, p. 19). **At its most general, it may be possible to measure activities, outputs and outcomes.** Thus in education, we can measure classes provided, examinations passed but there is also the question of the effect of these activities and outputs on the outcome – the future employment and income of those taught (Simpson, 2009).

Box 3: Issues for research agenda

- How can we assess the value of outcomes directly, rather than trying to put values on outputs, just because they are often easier to measure?
- Does use of co-production in public service provision increase the reliability of (subjective) evaluations of outcomes inferred from users' behaviours or attitudes?

While this relationship between inputs, outputs and outcomes is at the heart of all public sector efficiency models (see, for example, the Efficiency Toolkit of the National Audit Office at <http://www.nao.org.uk/nao/efficiency/toolkit/index.htm>) **it disregards other important social benefits of co-production which are captured in other models such as the Framework for National Accounts of Well-Being developed by NEF (2009) and NEF's Model of Social Return on Investment (SROI)** which has been adapted by the Treasury.

These broader models also take into account wider benefits to citizens, which can be perceived as non-economic benefits, such as

- Enhanced community leadership;
- Better accountability; and
- Increased public confidence.

In Figure 3, we show a number of different pathways which link inputs to outcomes. In highly professionalized provision, with low levels of user/community involvement, the link to service outputs and to service quality is quite clear but the link to outcomes is generally rather unclear– we normally know that services play a role in producing outcomes but we don't know how large this role is.

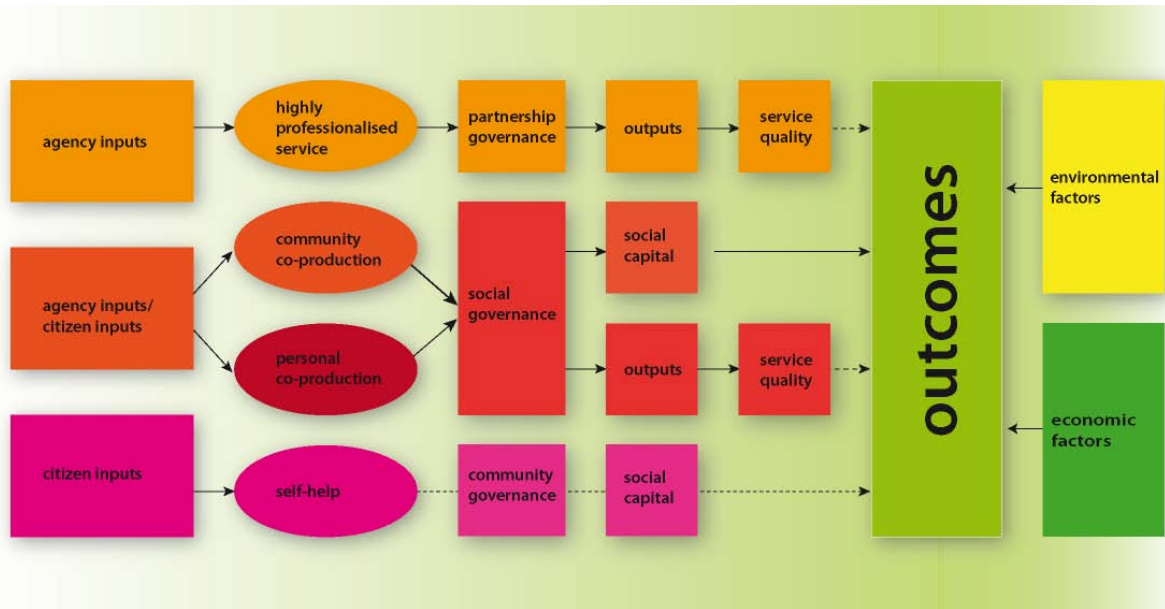
At the other extreme, 'self-help', whether by individuals or groups, means that they can achieve some outcomes for themselves, but through the use of public services.

Co-production lies between these two extremes. Unlike self-help, service users and other citizens typically do experience public services, which they have a role in co-producing. **The most distinguishing characteristic of co-production as against highly professionalised provision, is that there is, at least potentially, a strong direct link to outcomes, which does not go through the mechanisms of public services at all** – rather their involvement may lead to such effective preventative

mechanisms that the services become much less important and can be reduced in either volume, or quality, or both.

There is, however, a further possibility, namely that the very process of co-production may contribute to raising the outputs of the public agency (e.g. number of pupils achieving a school degree) or the quality of those outputs (e.g. through increased willingness of service users to co-operate in the service process, such as pupils doing their homework more thoroughly out of class).

Figure 3: How co-production impacts on efficiency and effectiveness



Source: Copyright © Governance International 2009.

As Figure 3 shows it is important to distinguish between user-led and community-led forms of co-production as their outcome pathways may be rather different. **Community-led forms of co-production can be expected to have more non-financial pay-offs in the form of social capital.** However, in order to solicit this type of social capital, public agencies are likely to have to invest more inputs (staff time, financial resources, facilities) in order to induce citizens to undertake co-production in groups and to make it work. However, there is the possibility that if individuals are more involved in user-led co-production, this will make it easier to encourage them to move towards community co-production. For example, a citizen who takes an active approach towards health prevention by eating health food and going to a gym is more likely to become a member of a sports club than somebody who takes a re-active approach towards his/her own health.

Figure 3 also shows that **governance processes are needed in all pathways** even though forms of governance may vary. In the case of highly professionalized service provision 'joined-up governance' and 'effective partnership working' is a key issue – this features as 'partnership governance' in Figure 3. In the case of both community and user-led co-production 'social governance' will be needed. In particular, there will be

issues around power relationships and accountability which need to be agreed. In the case of self-help, citizens have to negotiate between themselves who does what in order to achieve the aspired outcomes – this is termed ‘community governance’ in Figure 3.

Box 4: Issues for research agenda

How can broader benefits from co-production be measured in such a way that they can be incorporated into the efficiency analysis – in particular, what impact is co-production likely to have on:

- benefits experienced by citizens other than those directly benefiting from co-produced services (e.g. reassurance of neighbours and friends that services are working for the user, demonstration of the availability and effectiveness of services which citizens may expect to use in the future, etc.); and
- social value-added (or subtracted) from co-produced services (e.g. because co-producers are more alert to the possibility of achieving social inclusion outcomes from their activities).

Costs of co-production

While there is an emerging literature on the (potential) benefits of co-production there is very little research on added costs of co-production.

Again from a local authority perspective, the costs to be considered include:

- **Agency professional staff inputs** to induce service users or communities to contribute their time and effort to the co-production of public services. For example, when a local authority tries to encourage residents to pay by direct debit this may involve expensive public campaigns or even ‘grass-roots working by neighbourhood managers’ and a direct financial incentive which means reduced public income. (However, these costs may still be less than the costs of pursuing non-payers, and cash or cheque handling fees under the previous system);
- **Agency managerial inputs** to induce public service professionals to change traditional ways of providing services or to provide different services. Some service professionals may resent working more closely with non-professionals and require extra incentives or sanctions. This may include agreements with trade unions or the introduction of new performance targets relating to the influence of service users;
- **User-related inputs** to train service users and communities make co-production work. For example, citizens acting as environmental champions have to undergo ‘risk, health and safety’ training, which is an additional cost to the local authority offering the training; and
- **Professional-certification inputs** to train professionals to the standards necessary to make co-production work. Like service users and communities, professionals may require extra training in order to learn how to use the skills of non-professionals in the best way. This applies, in particular, when co-production involves work with citizens who lack capacity (e.g. with dementia) or where there are large information asymmetries (e.g. expert patients). (These costs may be

met as part of the national training programmes which professionals have to undertake to gain or to keep their professional certification).

The key efficiency gain through user or community-led co-production only comes if these co-production-caused costs are outweighed by the costs savings in actual service provision, as users and communities provide more inputs and decrease the need for the service through their increased preventative activities.

Box 5: Issues for research

- Clearer understanding of the costs of co-production to all stakeholders involved and how these costs might be measured
- Better understanding how to measure the inputs of volunteers in a community co-production context

Incentives to users and communities for co-production

The other side of the coin, of course, is that under co-production service users and communities have to give a greater commitment to the service, e.g. through more effort or more willingness to comply with the service process. Naturally, they are only likely to be induced to engage in co-production if they see the cost-benefit-ratio as positive from their point of view. So far, **economic analysis has focussed on trying to cost the time invested by citizens through volunteering**. The cost of this time depends upon the opportunity cost it entails. The volunteer may be using time that would otherwise be devoted to leisure, or other volunteering or paid employment.

Box 6: How to measure inputs by volunteers

The value of inputs by volunteers is argued by economists to be measured by the opportunity cost of their time. This could be measured by the value of their leisure, or the wage that they could otherwise be earning. O'Shea (2006) and Drummond et. al. (1997) discuss the value of leisure and suggest that it might variously be argued to be zero, average earnings or average overtime earnings. Other studies have estimated the cost of volunteers' time to be equal to the minimum wage (Townsend and Moore, 2007, p. 41). Recent work on valuing inputs by volunteers has been carried out by Gaskin (1997) and Soupourmas and Ironmonger (2002). *Volunteering England* calculates the economic value of volunteers' time in the following way:

The number of volunteers × average number of hours × average hourly wage with the gross average hourly wage for full-time employees in England in 2008 being £13.90.

As the American NGO Independent Sector points out it is important to remember that when a doctor, lawyer, craftsman, or anyone with a specialised skill volunteers, the value of his or her work is based on his or her volunteer work, not his or her earning power. In other words, volunteers must be performing their special skill as volunteer work. If a doctor is painting a fence or a lawyer is sorting groceries, he or she is not performing his or her specialized skill for the nonprofit,

and their volunteer hour value would be lower than their earnings.

There is also the issue of tax relief for voluntary work given that tax relief in the UK is for charities, not for voluntary work (Williams, 1998).

In a survey, Halfpenny and Reid (2002) note that there has been almost no quantitative work done on valuing the outputs of the sector, with the exception of Foster et al. (2001). However, the European Social Funds and Heritage Lottery Fund have established guidelines on how to value the time of volunteers in tenders based on match-funding. But the benefits of volunteering need to be considered more widely – the Impact Assessment Framework of *Volunteering England* provides a useful framework which may also be used in research on co-production.

As the literature shows, more research needs to be done to determine what are the 'drivers' and 'obstacles' towards co-production from the points of view of individuals and communities. As a European citizen survey undertaken by Governance International with Tns Sofres in May 2008 showed, public service co-production does not necessarily lead to higher satisfaction with the public service concerned (French Ministry of Finance, 2008).

Box 7: Issues for further research

- Which positive and negative incentives are available to local government to induce citizens to increase levels of co-production?
- Which other strategies of influence are available to local government to change the behaviour of individuals and communities?

Co-production as part of the range of options available to local service providers to achieve efficiency savings

In light of recession-related pressures one key issue for local service providers and councillors is how co-production sits with other options to achieve efficiency savings. The table below sets out a number of strategic policy options on how to get “more for less” in local government. The options which are related to co-production approaches are marked in bold.

Table 1: Getting “more for less” in local government

Strategic policy options	Resource tactics
Services shift	<ul style="list-style-type: none"> • External partnerships (public sector, voluntary sector, private sector) • Transfer responsibility to other government units • Replace demand for expensive services with demand for cheaper services through early intervention • Transfer responsibility to individual citizens
Service reduction	<ul style="list-style-type: none"> • Limit demand through prevention • Limit demand through making service more onerous to use • Reduce service eligibility • Reduce provision of low priority services • Across the board reductions • De-commission services through consultation/votes of user groups/‘participatory budgeting’
Limit expenditure	<ul style="list-style-type: none"> • Reduce headcount/overheads • Reduce/defer spending on goods and services • Freeze recruitment/Reduce overtime
Productivity shift	<ul style="list-style-type: none"> • Capital/labour substitution through unpaid volunteers • Procurement • Process redesign through user-led co-design • E-transaction processing through e-coproduction
Revenue/resource generation	<ul style="list-style-type: none"> • Increases prices/user charges • Attract more government funding through citizen-led bids • Improve treasury management • Fundraising through volunteers

Source: Adapted from Bovaird and Davis, 1999

One policy option which is particularly appealing to councillors is to shift services to 'somebody else'. The resource tactics include shifting services to external partnerships or transferring responsibility to other government units. Of course, another tactic may be to shift more responsibility to citizens. Indeed, in the UK and elsewhere in Europe there has been a trend to improve the lives of older people and their carers by giving them access to individual budgets based on entitlements, which are determined by levels of need, and to support and empower them to identify and develop their own creative ways of meeting needs within current resources. Of course, **the key question within a co-production context is whether transfer of responsibility to citizens means that the service provider has no further responsibilities** in which case the result is a 'self-help scenario' or whether service providers still remain at least partially responsible and allow some citizens, e.g. those most vulnerable, to receive some help from professional service providers when they need it.

Two policy options which feature high in the current political debate are service reduction and the limiting of expenditure – the former consisting of an explicit admission that frontline service has been cut, the latter often being more vague (with the hope that the cuts in expenditure may be fully compensated by 'efficiency gains').

A key tactic in limiting demand is to find ways of preventing demand for services from arising in the first place. For example, technological solutions (e.g. assistive technology) may increase the ability of service users to co-produce the service (or avoid reliance upon public services). Again, the use of behavioural change approaches may encourage a greater contribution by citizens and service users to their own health and 'wellness', thus reducing the need for health and social care services. In terms of environmental improvement, the use of behavioural change approaches may encourage a greater contribution of citizens and service users to avoiding environmental problems or remedying environmental damage, both at local level and more widely.

'Decommissioning public services' may involve limiting demand in a different way, namely by reducing service eligibility, reducing the provision of low priority services or simply by undertaking across the board reductions, typically referred to as 'salami slicing'.

A number of European councils have recently experimented with participatory budgeting to give citizens a say in which services should be cut. However, as to be expected, citizens voted to cut services which they do not use themselves. A much more promising way is to involve the users with direct experience with the service(s) concerned in the prioritization of services. **More empirical research needs to be done on ways in which citizens can be involved in the de-commissioning of services in meaningful ways.** Of course, such forms of participatory de-commissioning may be linked with 'transferring responsibility to citizens'. For example, in Germany there are now many local swimming pools which are managed by the community associations and clubs which prevented their closing down.

Similarly, limiting expenditure is another popular policy option to deal with the recession. This involves reducing headcounts and overheads, reducing spending on goods and services or at least deferring expenditure, in particular in the case of investment projects. Other common resource tactics are freezing recruitment and reducing over-

time. Clearly, the role of personal or community co-production as a resource tactic to limit expenditure is very limited since co-production often cannot bring about immediate cash savings.

It is a common view that personal and community co-production may make an important contribution to increasing productivity in the public sector by substituting unpaid volunteers for paid labour. **Co-production, in particular co-design of public services will also result in process redesign with productivity increases.** Clearly, e-government has been and will continue to be a very important driver of business transformation, which typically involves higher levels of personal co-production. While there is a clear cost label attached to the capital costs of ICT investment it is much less clear how big the resulting productivity gains have been, in particular given that in many cases traditional transaction and communication channels had to be maintained as well. In light of the new role of web 2.0 technologies more research is needed to quantify the productivity increase through new forms of e-coproductio n such as complaints management systems based on Twitter.

Finally, co-production also fits in with revenue and resource generation as a strategic policy option. In particular, citizen associations may be able to attract government funding for local initiatives – a famous case being the Carrick Beacon Partnership in Cornwall. But volunteers are also able to raise funds from other sources, e.g. from the public (e.g. fundraising for school playground equipment) or from private sector sponsors. Other resource tactics are less suitable for co-production. There is no empirical evidence in the UK or elsewhere that so-called participatory budgeting has led to any improvements of budget management of local councils. All we know is that most citizens are not interested in budgets. However, there is a direct relationship between user charges and other fees of local services and personal and community co-production. If citizens do more (whether individually or collectively) they may well expect to pay less. Indeed, many public agencies give users a financial incentive to shift to online transaction, e.g. filling out tax forms on-line. **But if citizens have the perception that even though they are doing more, they are still not getting a tax rebate or other financial ‘thank-you’, this may have serious adverserial effects on their motivation.** One prominent case in most European countries has been garbage collection, for which in most countries residents pay a fee. If the fee depends on the size of the bin then citizens have an incentive to recycle more and to produce less waste. If, however, the fee raises, even though citizens are doing more recycling or even have to take the recycled waste to local tips themselves, they will have less incentive to recycle and may even engage in more anti-social behaviour such as fly-tipping – the Audit Commission (2008b) reviews some of the issues associated with charging and behaviour in the publication ‘Positively Charged’.

Box 8: Issues for research

- How is the cost-effectiveness of different strategies for 'getting more for less' in local government affected by user and community co-production?
- How can citizens be involved in the de-commissioning of services in meaningful ways?
- How will e-government, particularly the new, more interactive web 2.0 technologies (such as Twitter and Facebook) increase the ability of service users to increase co-production of public services and affect council service costs?
- How can the use of technological solutions (e.g. assistive technology) affect the ability of service users to increase their co-production of public services (or avoid relying upon public services)?
- How can the use of behavioural change approaches encourage a greater contribution by citizens and service users to their own health and 'wellness', thus reducing the need for health and social care services?
- How can the use of behavioural change approaches encourage a greater contribution of citizens and service users to improving the environment, both at local level and more widely?

Making co-production accessible for service providers and councillors

There is currently a discrepancy between the amount of personal co-production taking place and the level of awareness of service professionals and councillors about this new trend – this is shown vividly by the contrast between the results of a recent citizen survey and the feedback from professional and managerial focus group sessions in five European countries (French Ministry of Finance, 2008). By the same token, there is a tendency to overlook the resource contribution of community-led co-production as financial accounting systems do not consider the cost of those contributions.

Clearly, **the reluctance of professionals to acknowledge the active role which service users and communities are playing in delivering desired outputs, service quality and outcomes can be explained by a variety of factors. One is certainly terminology** – the term 'co-production' is often taken to mean something to do with industrial production processes, so it often sounds irrelevant to the framework of service providers who do not perceive themselves as 'producers'. Furthermore, it causes confusion, since it includes so many facets such as co-design, co-commissioning, co-delivery, co-assessment etc. To make things more difficult a number of organisations such as OECD use the term 'co-production' inappropriately to refer to partnership working between organisations (e.g. public-private partnerships). So if everything is co-production what is the added value of this new concept?

Apart from presentational problems **there are also deeper issues relating to a perceived lack of control of professionals as an expert and gatekeeper**. In particular, co-production is often viewed as

- Being 'amateurish' and undermining the role of trade unions and professionals; and
- A hidden way to cut public services while not producing cashable cost savings.

More quantitative survey research and qualitative work is needed to learn more about the perceptions of public officials and councillors on how co-production impacts on public services and their own role.

Another factor which is inherent to co-production approaches with a focus on prevention is the fact that **prevention costs money in the short-term but the savings can only be expected in the long-run and are often hard to quantify**. Moreover, the 'savings' might be experienced by another organization - for example, investment in housing quality may lead to savings in health and care services, which are not of benefit to the housing organizations making the original investment.

Clearly, this is not very persuasive to the political life cycle of councillors and budget departments. One solution could be the contrasting of costs of prevention with the costs of curative/treatment services.

Box 9: Issue for research

- What do different stakeholders, especially councillors, understand by the concepts around 'co-production', 'co-design', 'co-commissioning', 'co-delivery', etc?
- How can these concepts be relabelled and better explained in ways which will be clearer to these stakeholders, especially councillors?
- How can the efficiency implications of co-production be more clearly set out and illustrated for these stakeholders, especially councillors?
- How can the balance between short-term costs and longer-term benefits of 'preventative co-production' be illustrated more clearly to stakeholders, especially councillors?

A Research Agenda

Here, we set out a fuller statement of some of the key issues for local government in relation to the efficiency dimension of co-production which have been identified through this paper as important for future research, both in the Research Councils and in government (both central and local).

Understanding co-production of public services

- Understanding more clearly how different public services are already supported by co-production.
- Identifying where and why co-production breaks down.
- Understanding more clearly the resources which users and communities can bring to services.

Understanding the benefits of user and community co-production

- Understanding better how to measure the value of these resources.
- How can we assess the value of outcomes directly, rather than trying to put values on outputs?
- Does use of co-production in public service provision increase the reliability of evaluations of outcomes inferred from users' behaviours or attitudes?
- How can broader benefits from co-production be measured in such a way that they can be incorporated into the efficiency analysis – in particular, what are impact is co-production likely to have on:
 - benefits experienced by citizens other than those directly benefiting from co-produced services (e.g. reassurance of neighbours and friends that services are working for the user, demonstration of the availability and effectiveness of services which citizens may expect to use in the future, etc.); and
 - social value-added (or subtracted) from co-produced services (e.g. because co-producers are more alert to the possibility of achieving social inclusion outcomes from their activities).

Understanding the costs of user and community co-production

- Clearer understanding of the costs of co-production to all stakeholders involved and how these costs might be measured.
- Better understanding how to measure the inputs of volunteers in a community co-production context.

Understanding the incentives to users and communities for co-production

- Which positive and negative incentives are available to local government to induce citizens to increase levels of co-production?
- Which other strategies of influence are available to local government to change the behaviour of individuals and communities?

Understandings how co-production fits with other options to achieve efficiency savings

- How is the cost-effectiveness of different strategies for 'getting more for less' in local government affected by user and community co-production?
- How can citizens be involved in the de-commissioning of services in meaningful ways?
- How will e-government, particularly the new, more interactive web 2.0 technologies (such as Twitter and Facebook) increase the ability of service users to increase co-production of public services and affect council service costs?
- How can the use of technological solutions (e.g. assistive technology) affect the ability of service users to increase their co-production of public services (or avoid relying upon public services)?
- How can the use of behavioural change approaches encourage a greater contribution by citizens and service users to their own health and 'wellness', thus reducing the need for health and social care services?
- How can the use of behavioural change approaches encourage a greater contribution of citizens and service users to improving the environment, both at local level and more widely?

Understanding how to make co-production more accessible for service providers and councillors

- What do different stakeholders, especially councillors, understand by the concepts around 'co-production', 'co-design', 'co-commissioning', 'co-delivery', etc?
- How can these concepts be relabelled and better explained in ways which will be clearer to these stakeholders, especially councillors?
- How can the efficiency implications of co-production be more clearly set out and illustrated for these stakeholders, especially councillors?
- How can the balance between short-term costs and longer-term benefits of 'preventative co-production' be illustrated more clearly to stakeholders, especially councillors?

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Personal Co-Production

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Purpose of this paper

This paper provides an overview of the personal aspects of co-production, i.e. those examples of co-production where the benefits accrue primarily to individual service users. It highlights issues relating to definitions, advantages and challenges. It also flags up some areas for future research which can contribute to more effective local government approaches to co-produced public services.

Introduction

This report aims to provide a better understanding of what co-production means and how it can be made more useful for local government. It focuses on personal co-production, in other words those types of co-production where the benefits accrue primarily to individual service users. The report offers an overview of the literature on co-production, derived from a comprehensive database search of policy and academic literature on the topic. It also draws on interviews with representatives of a number of policy and service organisations to provide insight into how these organisations are engaging with co-production in practice. These include the Social Care Institute for Excellence (SCIE), the Association of Chief Executives of Voluntary Organisations (ACEVO), Capita, the New Economics Foundation (NEF) and the National Centre for Independent Living (NCIL).¹

The **definition of co-production** used in this report is **‘the recognition that public services are the joint product of the activities of both citizens and government officials’** (Sharp, 1980: 110). This is one of a number of definitions of co-production used in the literature. At a recent SCIE event, it was suggested that too much time should not be spent getting hung up on the definition of co-production: ‘It is, at heart, a *mindset* and a *style of working*. Co-production says that you start from the people themselves and find out what they think works well and what needs to be addressed’ (SCIE, 2009: 4, emphasis in the original).

Context

Co-production has become a high-profile approach to public service reform, at least at a policy level. In the last year, there have been reports on co-production from the Prime Minister’s Strategy Unit (Horne and Shirley, 2009), the New Economics Foundation (Nef, 2008), the Social Market Foundation (Griffiths *et al*, 2009), Compass (Gannon and Lawson, 2008) and the Social Care Institute for Excellence (Needham and Carr, 2009). A number of recent reforms have been positioned as examples of co-production, including self-directed support and individual budgets within adult social care, family intervention projects, budget-holding lead professional initiatives in children and youth services, personalised learning for school children, health interventions including expert patient programmes and individual health-budgets. Unlike other reform imperatives – such as public-private partnerships and user choice – co-production has won support from a wide range of stakeholders including consumer organisations and trade unions (NCC/Unison, 2006), the third sector and private companies such as Capita. The wide range of interest

¹ The interviews were semi-structured and conducted by the author. Some were conducted face-to-face, others by telephone. They were digitally recorded and transcribed.

in, and support for, co-production indicates that it is an approach that local authorities need to understand better.

Although interest in co-production has been growing for several years, it may be no coincidence that the current peak of interest in co-production has occurred during a recession. The original co-production literature came from American urban scholars in the late 1970s and early 1980s, responding to fiscal cutbacks in the United States at a time of rising public expectations of services (Parks *et al*, 1981; Brudney, 1984). In the current political and fiscal climate, it is possible to see a similar preoccupation with how to make best use of all the potential assets available to public services. However it is also worth noting that the revival in interest in co-production earlier this decade was in a context of high public spending, and driven by a concern to explain why spending was not leading to increases in productivity. Thus interest in co-production can be understood as an attempt to better map the relationship between inputs, outputs and outcomes, recognising and deploying the full set of assets. Since outcomes usually involve tangible improvements in people's lives, it has been observed that they are very difficult to achieve without some contribution from the service user (Alford, 2009: 213).

Interest in co-production has also been triggered by apparent changes in the roles that citizens want to play in relation to public services. The active role for the service user in co-production fits with the rise of what Griffiths *et al* call 'assertive citizens', with people seen as less deferential and more likely to want to have a say about the services they receive (2009: 72-3). There is also a link between co-production and personalised approaches to health and welfare services, since personalisation assumes that users will be actively involved in shaping more tailored public services (Leadbeater, 2004).

Despite this sense that co-production is key to current reform initiatives, it appears to be a policy-level debate, cut off from the practitioner context. Most of the interviewees found the term co-production itself off-putting. As one interviewee said, 'The language we use is not helpful...why on earth don't we just say what we mean?' Similarly Ralph Michell, Head of Policy at ACEVO says, 'We use the language in ACEVO, but it's language that slightly irritates some of our members. It's policy wonk language.' This language of co-production may be getting in the way of local authorities thinking about some of the things they already do in co-productive terms, and building on this rather than starting from scratch. Many public services already rely on service users playing an active role, such as pupils doing homework and patients taking medicine. Local authorities need to get better at recognising and harnessing the commitments that many people have to getting better outcomes in their lives.

Principles of co-production

The first stage of this process is to gain a clearer sense of what are the distinctive principles of co-production. These can be summarised as follows:

1. Co-production conceives of **service users as active asset-holders rather than passive beneficiaries**. According to Boyle, 'Co-production turns welfare on its head. The main focus is no longer the failures of the person before you at the desk, it is their capabilities and how they can put them to use' (2004: 21). As Sarah Carr from the Social Care Institute for Excellence puts it: 'It's about changing people's minds about service users, recognising their expertise' (interview with the

- author). In many organisations this will require a major cultural shift, from a position where people are treated as ‘collective burdens on an overstretched system’ to ‘untapped potential assets’ (Boyle 2006a). Horne and Shirley argue that at the moment citizens are rarely expected to contribute their own resources (time, will power, expertise and effort) to public service outcomes (2009: 9). Boyle *et al* discuss the ‘habits of detachment’ in deprived communities in which ‘people get used to things being done for them by experts.’ (2006a: 54).
2. Co-production can be **relational or transactional**. Some of the literature roots coproduction in a collaborative relationship between service users and frontline staff, brokers or other service users (Parker and Heapy 2006; Boyle 2008). Here service outcomes are framed as being achieved through person-centred relationships, rather than mechanised forms of service-centred delivery. However others have emphasised the scope for co-productive to be substitutive and transactional, with users taking on a more active role in place of the traditional provider, in transactional services such as recycling or postal services (Alford 2009).
 3. Co-production promotes **collaborative rather than competitive relationships** between staff and service users. In this sense co-production is different from some accounts of public management – what Bovaird calls the adversarial principal-agent model of ‘transactional contracting’ – in which service users, commissioners and providers only fulfil their responsibilities through fear of sanctions (2006: 92).
 4. Co-production locates **public service improvement at the frontline**, continuing the recent trend of recognising that services will not improve unless frontline staff and users are engaged in the process. The focus on delivery makes co-production somewhat different from many forms of user involvement and consultation. Rather than asking for feedback on a service, or a preference between a number of possible options, co-production assumes that users are active in shaping and providing those services.

In addition, personal approaches to co-production – the focus of this briefing – generally have the following additional features:

5. They involve **input from those who benefit from the service, along with their friends and family**. In other words, personal co-production encompasses services that generate **private value** for the individual, as well as **public value** for the community (Alford, 2009).
6. Personal co-production is often framed in **reciprocal terms**. Horne and Shirley’s report on co-production for the Prime Minister’s Strategy Unit strongly emphasises this reciprocal understanding of co-production: that in return for greater control over resources and decision-making in the services they use, citizens are expected to bear more responsibility and risk (2009: 10). Behaviour change among service users is a key theme underpinning a range of government initiatives with co-productive elements, including family intervention projects and expert patient programmes. Home-school contracts, for example, are premised on parents making a more co-productive contribution to their children’s education. However this reciprocity can be controversial, and will require careful consideration from

- local authorities. Boyle *et al* have argued that co-production should not be seen too strongly in terms of what users will have to 'pay back' in the future (2006a, 45).
7. Personal co-production is **closely linked to personalisation**. According to Robert Droy, from Southampton Centre for Independent Living, 'Personalisation requires working with users in a co-productive way from the very beginning' (2009). Within education, co-production is linked to the development of personalised pathways and tailored support to assist pupil learning (DfES, 2006). Some studies have interpreted co-production in collective terms and personalisation (particularly individual budgets) in individualistic terms (Gannon and Lawson, 2008: 21; Nef 2008: 16). However, it may be best to understand personalisation as taking different forms, the most effective of which are likely to be collaborative and co-productive.

The Challenges of Co-production

Many of the benefits of co-production appear self-evident – having more engaged and motivated users who work closely with staff to improve personal and collective outcomes. However it is important to explore some of the challenges which local authorities are likely to encounter in trying to realise some of these benefits. Sarah Carr argues that local authorities will need to redesign structures and cultures to take co-production seriously: 'You can improve frontline relationships between service users and staff, respecting perspectives and finding common ground, but if that can't be fed back through an organisational culture and structure that's a serious limitation' (interview with the author).

Changes to structures and cultures will require attentiveness to the following areas: harnessing user expertise, developing new kinds of professionals, improving service outcomes, and managing risks and costs. The existing evidence base on each of these areas is looked at in turn, along with potential future research agendas.

(1) Harnessing User Expertise

Co-production requires that local authorities become much more effective at recognising and acting on the expertise that service users have. In particular, there has to be a presumption that in relation to some aspects of the service, 'users are more competent at performing the task than organisational staff' (Alford, 2009: 25). These aspects might include assessing need, allocating resources, managing implementation and evaluating success.

A number of schemes already exist which aim to harness user expertise more effectively. Expert patient programmes are very explicitly focused on this idea that patients with chronic conditions may well have a better knowledge of their own case histories, symptoms and care management needs than medical staff (DH, 2006). Within social care, the KeyRing scheme for supporting people with disabilities in their own homes, is described by its founder as taking a 'coproductive approach' in which people are seen as "experts on their own lives" (Poll, 2007: 53). The individual budget model within social care assumes that service users can design their own services, through dialogue with a professional (Glasby and Littlechild, 2009).

Sometimes this expertise may be deployed with a member of staff (*interactive* co-production), for example in developing a needs assessment. With Budget-Holding Lead Professionals (BHLs) in children's services, there is an assumption that families play a key role in working with staff to identify the most effective use of resources (OPM, 2008: 17). On other occasions, co-production may be *substitutive*, with users doing work that used to be done by professionals – for example through peer support networks of expert patients (Alford, 2009: 65).

User expertise can be harnessed at various points in the delivery chain, including co-designing, co-commissioning, co-producing, co-managing, co-evaluating etc. Involvement at an early stage may be particularly important. According to Sue Bott, Director of the National Centre for Independent Living, it is crucial that users are involved at an early state: 'Co-production isn't just about people working in partnership with each other. It is closer than that. It's about co-design, working through the issues' (Bott, 2009).

It is clear then that co-production requires local authorities to take seriously the idea that users have expertise. However, this core insight of co-production may need to be adjusted for some cases of personal co-production. School pupils are not usually experts on the curriculum and how best to match it to their own needs. In relation to the management of lifestyle conditions around obesity, tobacco, alcohol and drugs, for example, or in Family Intervention Programmes (FIPs), it is usually the inability of the service user to adhere to a particular social norm that triggers their involvement with the programme. Such users are not usually seen as experts in quite the same way as in the management of a disability or chronic health condition. Rather such co-productive schemes are premised on an understanding that successful outcomes cannot be achieved without 'buy in' from the service user. This may be limited to compliance, but is likely to be more successful if it involves a positive engagement with the programme and commitment to improved service outcomes.

Given the importance of user 'buy in' to all types of co-production, local authorities need to consider how to convince local people to become more active as co-producers. As one interviewee put it, '[Co-production] is quite revolutionary, it's not going to happen just by someone saying that it's a good thing, it happens bottom up, as a result of individuals and groups acting in a very viral way'. Alford notes that co-productive schemes usually offer some type of motivators to get people involved, be it sanctions, material rewards, intrinsic or solidary rewards (i.e. through participating with others) (2009: 66). However he makes the point that co-production needs to be voluntary, highlighting the perverse outcomes of forcing people to co-produce, in which people will 'seek opportunistically to minimise their contributions of effort' (Alford, 2009: 186). He argues that clients will 'donate their valuable time and effort to the achievement of organisational or program purposes... *when they receive, or expect to receive, something at least as valuable in return...*' (Alford, 2009: 188, emphasis in the original). In personal co-production where there is a tangible private benefit, it may be easier to encourage people to co-produce. Horne and Shirley (2009: 16) draw on survey data to argue that, 'the public want to be more involved when public services relate directly to them and their family – we usually underestimate people's willingness to help others'. However Alford also argues that there may be some role for sanctions, where they signal to the majority of compliant clients that the system is fair and 'that they are not "suckers" co-producing more than the rest' (Alford, 2009: 199).

There is a challenge then to establish the right balance between voluntarism and compliance.

Further, Alford notes that there is need to address clients' *ability* to co-produce as well as their *willingness* to do so (2009: 65, emphasis added). It is evident that service users will require a range of support services to co-produce effectively. These may include new skills around needs assessment and commissioning, and potentially employment as part of an individual budget. It may involve new information services, so that users are aware of the costs and benefits of certain kinds of service options. It will involve new forms of brokerage and advocacy, and an awareness of and support for diversity amongst users. As Peter Beresford puts it:

If you have been deskilled by services, disempowered in society, you aren't even at the starting point for all this. You need some support. You need information, you need advocacy, advice, capacity building (SCIE, 2009: 6-7).

In particular there is a need to build social capital so that people can have the support and skills needed to co-produce effectively (Needham and Carr, 2009: 14). As Lucie Stephens from the New Economics Foundation puts it, 'It's about engaging seldom heard voices and tackling inequality within services, engaging people who are currently undermined and marginalised' (interview with the author).

Future research agenda:

- *What incentives are most effective and appropriate at encouraging co-productive behaviours?*
- *What skills do service users need in order to be able to co-produce effectively?*
- *What are the advantages and disadvantages of co-production taking a compliance route, such that people are penalised for non-involvement?*

(2) Developing New Kinds of Professionals

Within co-productive approaches, existing staff are taking on new roles, for example as budget-holding lead professionals in children's services or as 'care navigators' in social services, whilst new types of staff (such as brokers and choice advisors) are recruited. Local authorities need to support and train these new professionals. Burns and Smith argue that '[C]o-production is a specific professional skill, best practice for which is only now being developed' (2004: 41). To utilise co-production most effectively, local authorities will need to re-train existing staff and develop new staff roles. In order to achieve professional culture change, Horne and Shirley recommend: 'Involv[ing] more service users in professional training, staff recruitment, and inspection...' (2009: 6).

In an overview of a number of co-production case studies Bovaird found high levels of staff resistance, at least initially (2007: 857). In some cases professional groups assumed that 'gains in status by co-producing clients might be at their expense'. They were 'reluctant to hand over discretion to service users and their support networks, not trusting them to behave "responsibly"' and they 'lacked the skills to work closely with users and communities' (Bovaird, 2007: 857). If users are to become the 'real commissioners' of services, for example through holding a personal budget, there may be staff concern about service decommissioning and job security (Tyson, 2007: 18). There is a need to anticipate and manage this potential apprehension among staff. If co-production is

positioned as 'a willingness to challenge authority' (Boyle, 2006a), there is a danger that it could increase tensions between professionals and service users. A National Consumer Council/Unison project bringing social housing officers and tenants together to discuss co-productive approaches, encountered high levels of mistrust between users and staff, at least initially (Needham, 2008). Co-productive approaches need to be sensitive to the background conditions (shortage of resources, hostility to a system that is perceived as unfair) which inhibit collaborative staff-user relationships.

There may also be concerns amongst staff that they are expected to undertake co-productive working on top of their other roles. For example, some participants in the BHLF pilots found it difficult to take on new budget-holding and coordination roles, whilst still doing their other professional duties (OPM, 2008: 14-15), although staff also reported that the scheme was an effective 'catalyst for creating a can do culture from the bottom up' (OPM, 2008: 34) In relation to time banks, a number of evaluations found staff resistance to the project (Seyfang 2004; Boyle *et al* 2006a: 53).

Like service users, staff need to be incentivised to co-produce. Bovaird calls for a new type of public service professional: the co-production development officer, who can help to overcome the reluctance of many professionals to share power with users and their communities and who can act internally in organizations (and partnerships) to broker new roles for co-production between traditional service professionals, service managers, and the political decision makers who shape the strategic direction of the service system (2007: 858).

The New Economics Foundation has worked with local authorities to set up a co-production forum, training manual and training modules to help frontline staff master some of the techniques, as well as developing a co-production audit to assist organisations in getting started (2008: 20). Sue Bott, from the National Centre for Independent Living, suggested that staff could be given more structured exposure to initiatives such as co-production through group-based professional development activities on the model of school inset days (interview with the author).

Future research agenda:

- *How can the workforce challenges of co-production be effectively mapped? What sorts of professional development resources are required to support staff in their roles as co-production facilitators?*
- *What are the distinctive challenges of trying to embed co-production in services where staff act as gatekeepers to scarce resources?*
- *How can traditional asymmetries of information between professionals and service users be overcome so as to draw in user expertise most effectively?*

(3) Improving Services

Given that the definition of co-production is somewhat fluid and that not all co-productive initiatives necessarily call themselves such, it is hard to formally evaluate its impact on outcomes. However there are clear indications that initiatives that embody the co-productive features set out above have been associated with higher levels of performance and user satisfaction with the services. For example, Griffiths *et al* note research showing improved educational performance as a result of personalised learning (2009: 77). Self-

care schemes such as the expert patient programme have led to improved efficacy and energy among participants, and reduced demand on hospital facilities (DH, 2006).

A range of co-productive initiatives in social care (including the individual budget scheme and the Australian Local Area Coordinator scheme for supporting service users in their own homes) have been positively evaluated (Glendinning *et al*, 2008; Bartnik and Chalmers, 2007). Gannon and Lawson provide a case study of co-production in mental health services in Mersey Care NHS Trust, which led to increased confidence among users and carers, new social networks, a culture of innovation and improvement within the organisation, and services that were personalised and responsive (2008: 23). There is evidence that time banks have positive benefit on mental health and well-being (Boyle *et al*, 2006a: 12). Family intervention projects, working with 'chaotic' families, were found to have led to a reduction in anti-social behaviour and family break up, along with improved education progress for the children involved (White *et al*, 2008).

There is an ongoing debate about the extent to which budget-holding is a particularly effective form of personal co-production and should be extended into more services. Horne and Shirley's report for PMSU was very positive about expanding budget holding, seeing it as a powerful driver of user control and service improvement (2009: 30). However the New Economics Foundation has been resistant to the idea that budgets are the answer, arguing that they can lead to individuals being encouraged to 'buy solutions' (including 'buying people to keep them company') 'rather than have an active stake in delivering (or "producing") their own solutions' (2008: 16).

Future research agenda:

- *How far can the budget-holding model be applied to other services?*
- *How can multiple budget streams be integrated to facilitate budget-management by service users?*
- *What sorts of technologies (pre-payment cards, online information and brokerage services) are required to support co-productive approaches?*

(4) Managing Risk

There are a number of risks which need to be considered in relation to co-production, around safeguarding and equity (as well as financial risks, although they fall outside the remit of this report). A number of interviewees talked about the need to see co-production in terms of positive risk, 'risk enablement'. As Bovaird puts it:

Co-production means that service users and professionals must develop mutual relationships in which both parties take risks – the service user has to trust professional advice and support, but the professional has to be prepared to trust the decisions and behaviours of service users and the communities in which they live rather than dictate them... This new division of risk brings benefits for both parties, and it forces the welfare state to admit that not all risks to service users can actually be eliminated (2007: 856).

Viewing risk in a more positive way, whilst also managing the potential safeguarding challenges is a difficult balance to strike (CSCI, 2008). The individual budget pilots, the budget-holding lead professional initiative and family intervention projects provide a clear evidence base to demonstrate that vulnerable users need not be put at risk by more co-

productive approaches. However, there may be something about ‘early adopters’ of such initiatives which may not hold for mainstream service users and local authorities will have to recognise and adapt to these differential contexts. For example, the individual budgets evaluation indicated that older people were more wary of being actively involved in budget and staff management than younger disabled people (Glendinning *et al*, 2008). According to Sue Bott, local authorities need to work to get the balance right between risk and independence. She said, ‘I’m worried that things will get out of balance and all these safeguarding issues and things like that will swamp co-production’ (interview with the author).

There is a need to ensure that equity in public services is improved rather than diminished through greater co-production. As Lucie Stephens from NEF puts it, ‘If we are not conscious about the burdens that already fall on some people – women, carers – there is every danger that we will compound those inequalities’ (interview with the author). The BHLF pilot evaluation raised the issue that using budgets to bypass service queues can have detrimental effects on children with similar needs who do not have a BHLF (OPM, 2008: 3). Research by Glendinning *et al* (2008, cited in ESRC/ACEVO 2009: 11) suggested that the increased use of individual budgets may encourage more use of ‘top up’ services from user’s own resources, which may have a negative impact on equity. However Glasby and Littlechild argue that the greater transparency associated with such initiatives has the potential to enhance equity, helping to ensure that ‘people with equal needs start to receive equal resources’ (2009: 154).

Future research agenda:

- *What new actuarial models will be required to support service users and organisations in balancing safeguarding with risk enablement?*
- *What can be learned from co-production case studies in the UK and internationally about how to mitigate any inequities which co-production may foster?*

Conclusions

Co-productive approaches have the potential to achieve a variety of goals in relation to personal public services, including higher quality services, more empowered/responsible users and more effective and accountable staff. However there are a number of issues that need to be addressed, including user capacity, staff support and the management of risk. The challenges for local authorities will vary across service areas, given the breadth of the co-production agenda. Co-production is much better developed in some sectors than others. For example within adult and children’s social care there are a range of co-production initiatives, including individual budgets, which have been positively evaluated. Within the education sector the language of personalised learning is well developed but it is hard to point to anything like the sort of structural or systemic changes that have taken place in social care.

Lucie Stephens highlights the importance of getting people from different sectors together to talk about co-production: ‘It’s not just about developing a social care professionals approach to co-production, or one for housing professionals, but mixing it up. We need to make sure this isn’t just about a specialist language for a particular silo of services’ (interview with the author). As well as bringing people from different sectors together, it is also a question of involving professionals from all levels of the local government

hierarchy. A number of interviewees argued that there was a need to match up senior/executive staff (who may have an 'academic' interest in concepts like co-production), with the middle managers who feel the pressure of targets, and front-line staff who may not have the time or head-space to engage with new research.

At a recent SCIE conference on co-production, it was suggested that local authorities might require a Performance Indicator (PI) on co-production in order to take it seriously. However it seems unlikely that a PI could capture co-production in a meaningful way, requiring careful thought as to how staff will be incentivised to make it happen in a target-oriented environment. As Lucie Stephens puts it, 'If we must have targets make sure they are the right ones, for example measuring the service as a catalyst, a point of departure, rather than being about how quickly people are processed through it. In the long term we need to look at transformative services rather than sticky, revolving door services' (interview with the author). This feeds into a broader literature around the need for outcomes-based approaches, taking the measure of success as long-term, tangible improvements in people's lives.

In conclusion, the **key messages** from this report are as follows:

- Co-production is a mindset rather than a single model for service improvements. It covers the full range of public services and is at different stages of development in different sectors.
- It is an outcome-focused approach, which recognises that there can be no positive service outcomes without some 'buy in' and contribution from service users.
- It is different from user involvement because it envisages users designing and managing services rather than providing input into a professionally-controlled process.
- Personal co-production delivers benefits for the user as well as the wider community. There are debates to be had about how far co-production should be linked to conditionality in the allocation of resources. There are also debates about how best to motivate people to co-produce, and how much of a role individual budgets should play.
- There is a growing evidence base demonstrating the benefits of co-production to improved service outcomes. However the risks around safeguarding and equity need to be identified and managed.

The **future research agenda** for personal co-production should look at the following areas:

- *What incentives are most effective and appropriate at encouraging co-productive behaviours?*
- *What skills do service users need in order to be able to co-produce effectively?*
- *What are the advantages and disadvantages of co-production taking a compliance route, such that people are penalised for non-involvement?*
- *How can the workforce challenges of co-production be effectively mapped? What sorts of professional development resources are required to support staff in their roles as co-production facilitators?*

- *What are the distinctive challenges of trying to embed co-production in services where staff act as gatekeepers to scarce resources?*
- *How can traditional asymmetries of information between professionals and service users be overcome so as to draw in user expertise most effectively?*
- *How far can the budget-holding model be applied to other services?*
- *How can multiple budget streams be integrated to facilitate budget-management by service users?*
- *What sorts of technologies (pre-payment cards, online brokerage and support services) are required to support co-productive approaches?*
- *What new actuarial models will be required to support service users and organisations in balancing safeguarding with risk enablement?*
- *What can be learned from co-production case studies in the UK and internationally about how to mitigate any inequities which co-production may foster?*

Useful **next steps**, alongside additional research, include:

- Recognising that co-production is a very off-putting word. Think about other ways to convey the message that service users contribute resources to service outcomes, and that these resources need to be recognised and harnessed more effectively.
- Identifying how to link co-production into existing performance indicators so that it is meaningful for staff.
- Talking to service user organisations and staff representatives about what they perceive are the barriers to greater co-production and how they can be overcome.

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