Better Public Services

DRAFT ISSUES PAPER:

Reaching out and letting in: more open information and greater citizen participation as levers for change

November 2011

This paper sets out the Secretariat for State Sector Reform's thinking on the issues associated with using more open information and greater citizen participation to lift public service performance.

This paper is part of a series of background papers prepared by the Secretariat for State Sector Reform to support the work of the Better Public Services Advisory Group and, as such, does not represent the views of the Advisory Group.

DEPARTMENT *of the* PRIME MINISTER *and* CABINET STATE SERVICES COMMISSION Te Komihana O Ngā Tari Kāwanatanga THE TREASURY Kaitohutohu Kaupapa Rawa

CENTRAL AGENCY PARTNERS IN THE STATE SECTOR REFORM PROGRAMME

Contents

Executive summary

Information is integral to the working of the public sector and a critical resource for improving performance. Governments around the world are seeking to leverage the benefits of information to change the way in which they work. This has led to a shift towards more open and transparent data, evident in New Zealand as well as overseas.

The power in open data lies not in the data itself, but in the interactions it enables, through bringing together citizens with a diversity of skills and local knowledge. Experimentation, of the type seen in data 'mashups' and their derived applications, is something which is very difficult for governments to achieve alone.

Citizen participation and involvement have long been important themes in democratic theory, but it is only really in the last decade that governments have strived to become more open and inclusive in their relationships with citizens. The model of engaging broad constituencies and disadvantaged groups in 'co-producing' the design and delivery of services has been around for a comparatively long time[1] but citizen participation is taking on more diverse meanings and forms as improved communications technologies become available and data becomes more accessible.[2]

These concepts are not trivial to the business of government. It is expected that they could have transformative effects on public services, as well as civil society and the economy.

There is substantial evidence of improved outcomes as a result of co-production and more and more evidence of the power of open data to reshape public services is emerging. Future developments are much anticipated:

Future public sector reforms will go beyond the traditional relations between governments as providers of services to citizens to explore how governments can work with citizens, to produce results of high public value. This is a key way in which governments and societies will move forward in addressing complex issues in increasingly uncertain environments. It is also the way governments will help their societies turn challenges into opportunities, seize the benefits of breakthroughs and bounce back from unforeseen shocks and crises.[3]

This statement is by the Hon Jocelyne Bourgon, a Canadian who has published extensively on the subject of public administration, but it also sums up the ambitions of the collaborative international research network of which she is part, which is seeking to explore new frontiers of public administration and tackle complex societal issues facing governments in the 21st Century.

This paper discusses some of the issues related to using more open and transparent information and greater citizen participation as levers for public service improvement. It draws on research by Bourgon and others which is capturing the emerging benefits of these changes. It also considers what actions may lead to embedding a more participatory approach in the culture of the public service in New Zealand.

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[1]   Head, B, *Australian Journal of Political Science*, Community Engagement, 2007.
[2]   OECD: Open *government: Fostering Dialogue with Civil Society*, 2003.
[3]   Bourgon, J, *New Governance and Public Administration*, 2009.

Information

Information plays a pivotal role in effective public services

Information provides a platform for most activity within the state sector. Having the right information at the right time is pivotal to making good decisions, managing risk and effectively scrutinising and improving performance. It matters for the effectiveness and efficiency of services, ensuring services meet the needs of their users and that they do so without unnecessary duplication and waste.

Information is also important for citizens and businesses. Ongoing and rapid developments in information and communications technology are enabling the public to use information much more powerfully than in the past – to demand improvements to services, to more easily engage with decision-makers on the issues that matter to them and to add value by re-using data or drawing new conclusions from it.

Access to public sector information has been rapidly expanding

There is a clear trend among OECD countries towards greater transparency of public sector information, usually called 'open government' or 'open data'.[4] Some governments, such as Australia and the United Kingdom, have published benchmarks on the performance of local services. This information, while not perfect, provides some guidance with regard to the level of performance and can be a basis for citizen choice among providers, particularly in health and education services.[5]

This motivates providers to improve their performance through market-like mechanisms, but also provides a non-financial incentive which can be very powerful – high ratings are a source of pride, while low ones "name and shame".[6]

A shift towards more open and transparent public sector data is evident in New Zealand. In 2008, the Data and Information Re-use Programme[7] was established, with the aims of:

- making non-personal government-held data and information more widely available and discoverable, easily usable and compliant with open government data principles within the New Zealand legal context, and

- facilitating agencies' release of the non-personal government-held data and information that people, communities, and businesses want to use and re-use.

This programme brought into effect the Declaration on Open and Transparent Government[8] in August 2011, which established the principles that government data and information should be open, readily available, well managed, reasonably priced and

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[4] Curristine, T, Lonti, Z, and Joumard , I, *Improving Public Sector Efficiency: Challenges and Opportunities*, OECD, 2007.

[5] Ibid.

[6] Kelman, S, Organization Design and Frontline Service Improvement in Government: The Case of Performance Targets in the United Kingdom, John F. Kennedy School of Government, Harvard University, 2006.

[7] http://ict.govt.nz/programme/opening-government-data-and-information/open-government-information-and-data-work-programme

[8] http://www.ict.govt.nz/programme/opening-government-data-and-information/declaration-open-and-transparent-government

re-usable unless there are necessary reasons for its protection. Personal and classified information will remain protected.

Raw data can become valuable when it is used in new ways or is exposed to a broad range of people

The power of open or transparent data comes not from analysis of the raw data, but in exposing it to new uses and different actors. Citizens can bring specialist skills with which to analyse data or 'mash' different datasets, which can increase the predictive capacity of modelling tools, or identify previously unforeseen patterns and trends. It is always hard for governments to experiment with new solutions. Having others contribute to this saves taxpayers money and reduces risk.

For example, Google searches are being used to monitor health by anticipating flu epidemics.[9] The relative frequency of certain queries is highly correlated with the percentage of GP visits in which a patient presents with influenza-like symptoms, and Google have used this to accurately estimate the current level of weekly influenza activity in each region of the US, with a reporting lag of only one day.[10]

The benefits are not just in using the data, but in contributing to it, often using local knowledge. An example of this is FixMyStreet.org.nz, which was launched in 2010. The site allows the public to proactively resolve local issues by locating them on a map. These are reported, by email, to the relevant council which can then take action. The site was created by web designers, independent of government,t who were inspired by an equivalent site in the United Kingdom.

Seeking contributions from as large a number of citizens as possible is the focus of a particular problem-solving trend, known as "crowdsourcing", that is growing in popularity. This is a distributed problem-solving and production model which engages a large number of individuals to work on a problem, often in the form of an online competition. Scientists and economists, as far back as Francis Galton in 1906, have found that, under the right circumstances, large groups are often more accurate than the smartest individuals within it. James Surowiecki in "*The Wisdom of Crowds"* suggests that, based on the consistent evidence, you would ideally *always* chose a big enough, independent and diverse group to make decisions affecting matters of general interest.[11]

Where might the 'open government' trend lead?

How the public, businesses, and government can benefit from transparent, non-personal data and information about public services is a matter of ongoing debate. However, it is expected that it could have a transformative effect, not only on public services, but also on civil society and the economy. The benefits can be loosely grouped into those creating:

- social value:

    - strengthening civil society, through empowering citizens to demand more from services, to exercise choice where applicable and participate more easily and more effectively in government activities

    - stimulating the responsiveness of agencies. Transparency is an especially powerful lever where market forces are weak or non-existent and is a

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[9]   http://www.google.org/flutrends/about/how.html
[10]   Ginsberg, J et al, "Detecting influenza epidemics using search engine query data", *Nature 457*, 2009.
[11]   Surowiecki, J, *The Wisdom of Crowds*, 2004.

practical, often more efficient, alternative to regulation

- bringing more expert knowledge to the table to help with policy development (such as, using geospatial data to analyse patterns of crime in communities as has happened in the United Kingdom), and

- creating additional scrutiny of services and performance, thereby maintaining the integrity of the public management system

- economic value:

  - promoting greater economic activity, through enabling new types of research and maximizing the return on investment for government-funded information

  - allowing greater innovation through the development of new products and business opportunities based on government data

  - reducing duplication of activity where more than one business/agency/citizen generates the same information, and

  - reducing the pressure on the public management system to process Official Information Act processes

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What do we know about the value of public sector data?

In 2003, the European Union issued a directive setting minimum standards for access to public information and conditions for its re-use as a way of promoting both growth and innovation. These included having clear procedures for the re-use of information, an upper limit on charging, and equality of access and an appeal mechanism to ensure fair access to all. A review of this policy in 2009 found that the value generated by the information released was €27bn, equal to four times the size of the mobile phone market.

There has not been a similar study of the potential value of all the information held by the state sector to New Zealand but there are indications that it is large. For instance, a recent study suggested that the use and re-use of geospatial information alone had added $1.2bn to the New Zealand economy or 0.6% of Gross Domestic Product (GDP) in 2008. If the remaining barriers had been eliminated, it is estimated that a further $480m would have been generated, including an extra $100m of revenue to the Government.

Sources:

Commission of the European Communities, *Re-use of Public Sector Information – Review of Directive 2003/98/EC.*

Spatial Information in the New Zealand Economy - Realising Productivity Gains, a report commissioned by Land Information New Zealand, the Department of Conservation and the Ministry of Economic Development, August 2009.

- lever for change:

  - providing a powerful lever to change public behaviour, as demonstrated by the 'Whatsmynumber' campaign where individuals reluctance to change energy providers reduced the competitive tension needed in the market.

Saving money + lower inflation: The Whatsmynumber experience

Whatsmynumber is a website that provides targeted information, based on a customer's own power usage, on options for switching to save on power bills, plus an immediate interface to make the change.
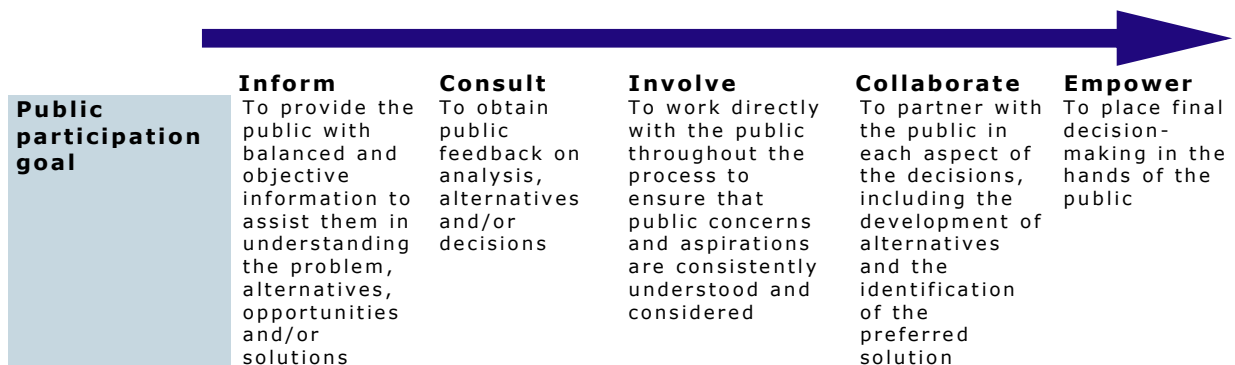
Between June and October 2011, 423,832 people visited the website and 194,717 switched power suppliers. The volume of switching was cited by Statistics New Zealand as one factor behind the 0.3% drop in power prices in the September quarter Consumer Price Index (CPI).

Participation: engaging and involving citizens

Participation can mean anything from informing citizens or businesses right through to devolving decision-making to them. It is through greater participation that government can leverage the power of networks to connect actors, problems, solutions and opportunities as a means to achieving public goals.[12] Open data is one focus around which participation can take place, but is by no means the only one.

The following spectrum is a model widely used internationally to describe the features of different types of participation and the commitment government is typically making to the public for each.

IAP2 Spectrum of Public Participation

	Inform	**Consult**	**Involve**	**Collaborate**	**Empower**
Public participation goal	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions	To obtain public feedback on analysis, alternatives and/or decisions	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered	To partner with the public in each aspect of the decisions, including the development of alternatives and the identification of the preferred solution	To place final decision-making in the hands of the public

Source: International Association for Public Performance

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[12] Klijn, 2008.

Some commentators have gone as far as to state that more engagement with citizens is not just desirable but critical if we are to make progress on complex policy issues. Jocelyne Bourgon explains it this way:

> *In general, policy units are departmentally-based and mission specific. They tend to value causal rationality and linear thinking, and rely heavily on evidence and data – and for good reason. This policy approach has contributed to great achievements in several domains of public policy.*
>
> *But in the case of complex issues, the most important knowledge does not reside in the data. Rather, it rests in interpretation and insight, in discerning probable patterns where none had been seen before, and in the meaning extracted from diffuse information and imperfect knowledge. This work requires a diversity of perspectives coming from the interactions with multiple actors, a diversity of skills and disciplinary knowledge bases, and a diversity of approaches where linear thinking, non-linear systems-thinking and emergent understanding co-exist.*[13]

The Government has recently committed to "supporting the public, communities and business to contribute to policy development and performance improvement". This was a priority for Open Government agreed to by Cabinet, alongside improving public access to government data and information and creating market opportunities and services through the reuse of government data and information.[14]

Whether or not a cross-government action plan is needed to realise this ambition is debateable. There is no doubt, however, that it will require a public service environment that encourages public participation, which in turn will require strong leadership of this agenda and concrete actions to implement change. An inter-agency professional network for public sector officials with expertise and responsibility for stakeholder or community engagement already exists. This could be better utilised if improvements to public participation were to be seriously considered.

Balancing competing demands

No state agency can be only customer or participation-focused and nor would this be desirable. They also have responsibilities to their Minister (for achieving the policy goals of the programme, including ensuring reasonable speed, not continuous consultation churn), to other New Zealanders (for the value of the information that they hold), to the taxpayer (for achieving value-for-money and keeping costs under control) and to the individual customer (for privacy, fairness and responsiveness). These responsibilities need to be balanced.

Complicating this task is the fact that, in some cases, responding to customer demand benefits only some (those whose demands are met) and sometimes can disadvantage others. Overseas, there has been a particular concern relating to providing choice in both education and health, where it is often felt that the "middle class" capture the benefit and the schools and health clinics of "the rest" are poorer for their decisions, or where some providers are seen as "cream skimming" the system, taking the best and/or easiest clients, with the residual system then being worse for the remaining clients. There is some evidence that this is not always the case: for instance, Julian Le Grand

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[13]   Bourgon, J.

[14]   In *Directions and Priorities for Government ICT*
      see http://ict.govt.nz/directions-and-priorities/about-directions-and-priorities

argues that the "middle class" is particularly good at manipulating systems that do not have apparent information or choices, and that providing explicit information and choice can empower "the rest".[15]

Government should also be careful to be clear about the purpose of any interaction. When citizens believe they are given the opportunity to influence decision-making, but find that is not the case, trust and engagement can be severely damaged as seen from the initial experiences in the rebuilding of New Orleans from which it took unprecedented engagement efforts to recover.[16]

Co-production

The NESTA Public Services Lab in the United Kingdom describes co-production as a "vision for public services which offers a better way to respond to the challenges we face - based on recognising the resources that citizens already have, and delivering services *with* rather than *for* service users, their families and their neighbours."[17]

There is a growing literature documenting the positive outcomes arising from a 'co-production' approach to public services, based on the principle that those who are affected by a service are best placed to help design it.[18] "People's needs are better met when they are involved in an equal and reciprocal relationship with professionals and others, working together to get things done. This is the underlying principle of co-production – a transformational approach to delivering services ... (that should become) the default model for public services."[19]

Improvements are driven by two broad types of participation:

- through involving citizens or service users in making decisions, especially those which relate to their own needs, and

- through involving citizens or service users in finding innovative solutions to complex problems.

Research overseas suggests that user participation is a particularly important factor in customer satisfaction when there is little choice between alternative providers.[20] In a compulsory monopoly situation (which is common within state services), when the customer has no ability to "exit" if service is poor, having a chance to voice their concerns in a way that the system hears and values is important for driving satisfaction. This suggests that the less the customer has choice over the service, the more active and proactive services must be in giving them the opportunity to be heard and influence that service.

The NESTA Public Services Lab and the New Economics Foundation in the United Kingdom have been working with front-line practitioners to identify areas with immediate

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[15] This view is based on the effect of some of the changes in Britain where providing choice and information seems to have been associated with reduced inequity of service provisions. See for instance, Cooper, Z et al., "Equity, Waiting Times, and NHS Reforms: Retrospective Study." *British Medical Journal*, September 2009, Vol. 339 (9).

[16] Lukensmeyer, C, *Large-Scale Citizen Engagement and the Rebuilding of New Orleans*, 2007.

[17] http://www.nesta.org.uk/areas_of_work/public_services_lab/coproduction

[18] See, for example: *IAP2: Painting the Landscape: A Cross-Cultural Exploration of Public-Government Decision-Making,* August 2009; Head, B, *Australian Journal of Political Science*, "Community Engagement", 2007; Harwood Institute for Public Innovation, *Standards of Excellence in Civic Engagement*, 2005; Coulter, A and Ellins, J, *Patient Focused interventions: A Review of the Evidence*, 2006.

[19] NESTA and nef: *Right Here, Right Now, taking co-production into the mainstream*, July 2010.

[20] http://www.publicservices.ac.uk/wp-content/uploads/dowding-poster-2009.pdf

potential for co-production. It is worth considering this approach in New Zealand, starting in some of the areas they suggest:

- adult social care and elderly care

- healthcare

- mental health services

- supported housing

- criminal justice and community policing

- education, early years, youth services, childcare and families

- welfare to work, and

- regeneration.

In the face of long-term challenges, such as an ageing population and a rise in debilitating health conditions, the effectiveness of the levers traditionally available to governments, such as taxes and subsidies, regulation, the provision of public services and information, will arguably be limited. It is conceivable that these types of problems require a new partnership between the state and the citizen if there is going to be any improvement.

The gains from a co-production approach include the following:

- intervening at the lowest possible scale before issues cascade upwards

- experimenting and investing in pilot projects at local levels, then scale up where appropriate

- simulating events that enhance collective learning, and

- accelerating the transfer of knowledge and know-how between sectors.

New Zealand's experience

Despite New Zealand's strong commitment to providing open and transparent data, there is currently a very limited data set available compared to other jurisdictions.

There is potential to gather information about public services that would be more useful to drive improvement and would be more transparent about the performance of public services.[21] At the moment, the collection of information on performance and cost of government's operations has largely been driven by accountability requirements. This means that it is largely backwards-looking and at an aggregate level rather than at a level that informs managers in a way that enables them to make better decisions.

Of course, it is unclear whether this information is being collected but only used internally and just not being used further than this because reporting does not require this. This is probably happening to a certain extent but a recent survey of 1,700 managers across a range of government agencies found that more than a third of

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[21] For a discussion about the benefits of more transparent and accessible public reporting (as a mechanism for driving progress on the key results for government) see the issues paper *Results*.

managers (38%) didn't have information that gave them a good picture of how they were doing and almost half (47%) didn't have information that helped them to understand how to improve their performance or the impact of their work on the public (56%).[22] This must be addressed to lift the performance of state services.

The development of social media and crowdsourcing technology has enabled governments to engage with citizens and businesses in real time and at minimal cost. Although not all engagements can be done online, there are examples of parts of government which have focused on greater online engagement and participation.

However, the opportunity to use technology to best effect has yet to be widely harnessed by New Zealand's state services. The majority of the public sector has room to significantly improve performance in collaborating with and empowering users to influence the design and delivery of services. Research by the State Services Commission found only two-thirds of respondents felt that their individual circumstances were taken into account when accessing services.[23]

Greater citizen engagement and participation in the design of health and social services has, in particular, been shown to be beneficial to outcomes overseas but this doesn't appear to be a focus in New Zealand currently. New Zealand is considered largely at the "inform" and "consult" end of the IAP2 Spectrum of Public Participation. Among initiatives which fall under the more participatory categories is the Ministry of Social Development's Community Response Model, which gives communities a genuine say in how family and community services funding will be spent. Communities create plans for social support in their area, participating in the decision-making process and developing local solutions.[24]

For the state sector to maximise the power of open data, then further consideration needs to be given to where, when and how it should be moving towards the "collaborate" and "empower" end of the spectrum.

A recent commitment to "supporting the public, communities and business to contribute to policy development and performance improvement" signals that this is a priority for the future.[25]

How a more participatory system may be achieved

There are a number of ways in which New Zealand may achieve a more participatory system.

Changing attitudes across the public sector

The experience of the United Kingdom has been that it takes considerable effort to change the attitudes to view citizens, businesses, communities and families as partners in designing public services. Offers of support to others or to the system are often

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[22] Gill, D (ed.) *The Iron Cage Recreated: The Performance Management of State Organisations in New Zealand,* 2011, Table 15.14.

[23] *Kiwis Count Survey 2009: Technical Report* see http://www.ssc.govt.nz/kiwis-count-2009

[24] see http://www.familyservices.govt.nz/my-community/community-response-model/

[25] In *Directions and Priorities for Government ICT* see http://ict.govt.nz/directions-and-priorities/about-directions-and-priorities

labelled as 'risky' – built on an implicit assumption that people are dangerous to other people, rather than assets to be used for the public good.[26]

Services that build on what people can do, rather than only trying to fix what people can't do, makes for a subtle change in the way people see themselves and everyone else.[27]

There is no doubt that a step-change to a more participatory system will require a public service environment that encourages public participation, which in turn will require strong leadership of this agenda. An inter-agency professional network for public sector officials with expertise and responsibility for stakeholder or community engagement already exists and could be better utilised if improvements to public participation were to be seriously considered.

Generating evidence of value

A key way to change attitudes is to generate compelling evidence of value: for people, professionals, funders and auditors. Methods such as Social Return on Investment (SROI), which is being developed in the United Kingdom, extend cost benefit analysis to undertake a broader analysis with a wide range of stakeholders and capture social benefits alongside economic ones.

Commissioning for outcomes

Participatory approaches to issues can be awkward for funders and commissioners who tend to look for specific objectives and pre-determined outputs generated from a narrow range of anticipated activities and evidenced by limited indicators of success. The indicators of success for co-production are found in broader outcomes and longer-term changes that often cross multiple funding streams and are not always easy to measure with current methods. Commissioning for outcomes is potentially a way past this, as this approach offers opportunities to seek non-traditional partnerships.[28]

Better systems to hear citizens

Some work is already in train here (eg, parents on school boards, patient complaint systems, the Inland Revenue Department's phone-back customer survey). However, this is only patchily adopted across public services and there are many more opportunities to embed effective feedback loops.

More proactive use of modern ways of communicating

Information should also be provided in modern ways (such as graphical and map-based websites, and social media). Some departments have begun to deliver on the commitment to more open government and are developing smart Internet applications to share useful information across agencies and with citizens, sometimes with a local focus. For example, the social sector, in association with the Department of Internal Affairs and Land Information New Zealand, has developed a prototype for Social Services Mapping which, if fully developed, will allow agencies and citizens to access place-based information on local service delivery and uptake.

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[26] Boyle, D, Slay, J and Stephens, L, *Public services inside out: Putting co-production into practice*, NESTA and nef, 2010.
[27] Ibid.
[28] Ibid.

More information for citizens: Social services mapping

Social services mapping is a way to bring together a wide range of social services information in one place, and to make it publicly available and easy to access. Information would be provided through an interactive web-based visualisation mapping tool that will allow:

- zooming to examine locations of interest
- filtering information by criteria such as age or sex, and
- integrating information from multiple agencies as layers or points on a map.

It would promote a better understanding of community diversity and support increased involvement by communities in decisions about service delivery and design.

Source: http://map.contractmapping.govt.nz/
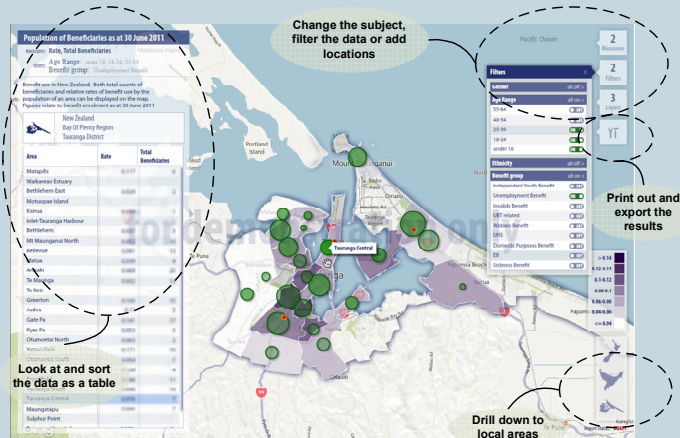
The Christchurch rebuild provides an opportunity to engage citizens more in the achievement of local area results. It would be possible to design a place-based performance system that begins with broad system-level results (eg, relating to housing and infrastructure condition). These system-level results would then be broken into their component parts by identifying which agencies (and which non-governmental organisations and private sector partners) contributed which results to the system-level improvement. The performance of the agency-level activities could be tracked by output and activity measures, with the information provided in real-time on the Internet. Residents would be able to track progress in their immediate local area, and for the city as a whole.

Better information on the rebuild for residents and businesses in Christchurch

Driven by the urgent need for effective, timely information sharing by multiple players following the Canterbury earthquakes, new ways were established to collect and disseminate public feedback within a map-based website (eg, the Christchurch Recover Map and the Person Finder website built by the Google Crisis Response Team). Lessons learned from this could help develop similar ways of providing information for citizens across New Zealand.

Further steps could be taken to provide Christchurch residents and businesses with easy access to information that shows progress on the rebuild. The information used by agencies and private providers for management purposes could be pulled together in a single place and presented visually by location online.

Residents could use the information to find out what is going on, both in terms of the future shape of Christchurch and what is happening on their doorsteps. This would support them in making decisions about their future and in making informed comment about what is planned in their neighbourhood and across the city as a whole, enabling genuine collaboration between agencies and citizens as their city is rebuilt.

Taking successful approaches to scale

Engaging in participation to shape services arguably suits smaller organisations and the non-government sector, which means they are often small in scale. Existing successful examples need to clarify the key ingredients that make their approaches work and what local factors create the conditions, so that these can be replicated elsewhere and bought to scale.

Conclusion

There is an increasing store of international evidence that more open and transparent information and greater citizen participation are key levers in driving improvement in public services and a clear trend towards this among OECD countries. It is expected that it could have a transformative effect, not only on public services, but also on civil society and the economy.

New Zealand has recently made commitments to providing open and transparent data and to support the public, communities and business to contribute to policy development and performance improvement, but has yet to widely harness the potential of technology to realize these ambitions.

There is a range of ways to achieve a more participatory system, some of which have solid international evidence of success.