

 THE NATIONAL TRUST +  accenture
High performance. Delivered.

Demonstrating the Public Value of Heritage

Demonstrating the Public Value of Heritage

Published June 2006

This publication has been co-written by Accenture and the National Trust and is © Accenture / © National Trust.

All rights in each part of the publication are reserved by the respective copyright owner.

ISBN 1-84359-264-9

ISBN 978-1-84359-264-8

Cover picture: Visitors on the Palladian Bridge at Stourhead, with the Pantheon in the background.

Contents

Foreword	6
1. Executive Summary	7
2. Background	8
3. Challenges for the Heritage Sector	9
4. Current methods of measuring the public value of Heritage	10
4.1 Traditional Methods	10
4.2 Public Value Concepts of Heritage	10
4.3 Limitations of Public Value Concepts of Heritage	11
5. The Accenture Public Service Value Model	13
5.1 The Heritage Public Service Value Model	14
5.2 Benefits and Limitations of the Heritage Public Service Value Model	22
6. Conclusion	24
Appendix A – Other applications of the Public Service Value Model	26
A1 Police	26
A2 Education	27
Appendix B – Case studies	28
B1 Case Study 1: Montacute House	28
B2 Case Study 2: Sutton House	31
B3 Case Study 3: Stourhead	34

Foreword

'... beware of Public Value 'blah' ... discussion that lacks definition, intellectual rigour and substance. The idea of Public Value – which I believe in very strongly – will only survive if we are rigorous in its definition and approach.'

Culture Secretary, Tessa Jowell MP, 26 January 2006

The last few years has seen burgeoning evidence demonstrating the benefits of our cultural heritage to the nation. Research studies showing its positive social and economic impact have mushroomed and the heritage sector has come closer together in arguing its case to the Government and others for support. Evidence for the popularity and value of heritage is all around us. Yet those who care for the heritage feel neglected by public policy and funding priorities and those who control the purse strings remain sceptical of the public benefits it provides.

The National Trust commissioned this report from Accenture to help bridge the gap. It explores the potential of a new and potentially invigorating way of valuing the public benefits provided by our heritage in a common language that can appeal to public policy makers. The concept of 'public value' moves us beyond simple measures of social and economic impact and crude attempts to put a price on and quantify the benefits of heritage. It presents a more rounded approach which starts by identifying the direct benefits to people both as consumers of heritage 'goods' and as citizens. It provides a framework for assessing the value for money of different kinds of investment and decisions, in terms of their overall benefit to the citizen.

Drawing on the principles of shareholder value – in which investment and management decisions are assessed according to their benefit to shareholders – the approach is being taken up in other sectors, such as education, health and the BBC, in ways that help capture the wider public benefits of investing in public services. With major decisions to be made about future public funding and spending priorities, and with the heritage sector concerned that it is being left on the periphery, public value is offered as one tool to help demonstrate the case for giving heritage more attention.

There are manifest advantages of moving down this road. It draws on tools being used elsewhere and helps develop a common language within and between different sectors. It puts the public firmly in the driving seat and requires a more responsive and engaging approach. It raises interesting questions about how heritage organisations run themselves and manage their properties. And it provides a practical way of assessing the value for money of different investment decisions.

A public value approach also raises some interesting questions. How can we address the intrinsic value of heritage and overcome concerns about quantification? Can it address the benefits of involving people more in the conservation process itself as well as recognising the benefits from education and outreach? How does it address the subtle but important benefits of contact with heritage such as its ability to inspire and for people to think more about the world around them? Are there certain values which hold true regardless of whether they are recognised by the public? How do we negotiate the views of experts and the public in determining what is important? What will drive increases in public value? Will it be able to address the contribution of heritage on people's doorsteps as well as at heritage sites? How does it address natural heritage?

These and other questions need to be addressed but none of them presents a fundamental roadblock. This report is intended to provoke discussion on finding a way forward. It doesn't provide all the answers but helps the process of bringing more rigour and perspective to a complicated debate. One thing we can be sure of is that there is no going back. People want and expect more from those who look after their heritage – they want answers to questions, to take part and to know the story behind the story. Similarly the Government and others are demanding more evidence that heritage brings the benefits claimed and supporting it represents good value for money.

Developed in the right way public value provides a framework for demonstrating the contribution places rich in history and the processes of looking after them make to our collective quality of life. It moves us forward from 'knowing' that it matters to 'showing' that it does. We look forward to the ensuing debate.

Tony Burton
Director of Policy and Strategy
The National Trust

June 2006

1. Executive Summary

The heritage sector faces a number of challenges in demonstrating the benefits of heritage to the nation. It needs to build a more persuasive and robust approach if it is to move closer to the centre of public policy priorities and gain its fair share of already limited resources.

In order to address this central challenge, a variety of traditional target based methods and newer value-based methods have been employed. Both methods have partially answered the question 'what is the value of heritage?' However, the sector still lacks a method which addresses the link between value and the financial burden of delivering that value effectively.

As part of their major research programme to identify the characteristics of high-performance businesses and governments, Accenture realised a method for measuring effective value in the public sector was needed. To address this need, Accenture developed the 'Public Service Value' Model. This model examines the value organisations deliver from the perspective of the citizen, and how cost effectively this value has been delivered. The model's premise is that value is being generated when a set of citizen-focused benefits, or outcomes, are achieved in a cost effective manner. As a result, the model helps define a framework to optimise a set of outcomes, which are valued by citizens, within given resource restraints.

The Accenture Public Service Value Model has been applied to three National Trust case studies as a possible alternative method to demonstrating public value in heritage. Given the outcomes, metrics and weightings chosen, the model identifies some possible value drivers in each of the three case studies, which could assist decision-making about how to optimise their delivery of public value.

More broadly, the application of the Public Service Value Model to the three case studies draws some important conclusions for the sector as whole. Firstly, it enables the sector and the policy maker to identify and focus on activities, which create most value. Secondly, an agreed sector wide model would assist decision-making on the size and shape of the sector's asset portfolio. Thirdly, it can help inform decisions over the use of public funds, policy and legislation to support these assets for optimum public benefit. Given the large and diverse nature of heritage and the historic environment, this would help decide where to prioritise investment. Working together to a common, well defined, rigorous and practical public value approach offers real advantages to the heritage sector and all who seek to increase the public benefit it provides.

2. Background

This report was commissioned by the National Trust to contribute to the debate over how best to demonstrate the public value of heritage. It complements other work underway by the Heritage Lottery Fund and others and is a contribution to the priorities agreed by the Heritage Forum on behalf of the sector in 2005.

The report presents a high level application of the Accenture Public Service Value Model¹ to a sample of National Trust case study properties. Using evidence from the case studies, the report adduces some preliminary insights and implications about the application of the model to the heritage sector.

We are grateful for the cooperation from Montacute House, Sutton House and Stourhead in agreeing to act as the case studies and provide relevant data and to all those who have contributed to the work.

The report sets out some of the challenges the heritage sector faces in demonstrating public value and securing support through public policy and investment decisions. It evaluates the traditional and newer methods which have been used to address those challenges. It then offers the Accenture Public Service Value Model as a possible alternative method of addressing these challenges. It concludes with an evaluation of the applicability of the model to the heritage sector and a discussion about some possible further ways to drive the value of heritage.

¹ The Accenture Public Service Value Model is patent pending.

3. Challenges for the Heritage Sector

This section outlines some of the current challenges faced by the heritage sector.

Our understanding of 'heritage' is going through change. Shifts in public needs and demands combined with economic, social and demographic trends are leading to a strengthening of interest in, support for and expenditure on history, culture and heritage. Public expectations and interests are also changing and as a result the demands on heritage to deliver value through the resources it has available are rising.

Heritage is acknowledged to make a valuable contribution to society through its contribution to national identity and well-being as well as for its intrinsic value and its role in delivering social and economic progress. Nevertheless, heritage remains on the periphery of public policy priorities and struggles to attract public investment when Government and other spending priorities are determined.

Against this background, the costs of maintaining heritage assets have increased. Heritage Counts 2005 reports that for 70 privately owned historic houses open to the public, £66 million worth of repair and restoration work was outstanding in 2005, of which £20 million was urgent. The backlog of maintenance and repair for the National Trust alone is over £200m. Similarly, the sector is investing heavily in providing other public benefits. The National Trust alone invests around £2 million per year in supporting educational visits by 500,000 schoolchildren as part of its educational and learning program.

The level of resources available to the sector is limited and demand is ever increasing. The four pence from every National Lottery ticket which currently goes to heritage is a major source of financial support for the heritage sector. At the same time the resources received from central Government is also a crucial source of financial support and policy commitment to the sector. However, the debate over the future of the National Lottery and the forthcoming Comprehensive Spending Review means the sector needs to articulate effectively the value it delivers for the resources it has available, if it is to be recognised as a central public policy priority and gain its fair share of resources.

There have been some important achievements in this area since 2000, including progress on the Heritage Protection Review, the establishment of Heritage Link bringing over 80 voluntary organisations together, the annual publication of the Heritage Counts reports, and the creation of shared priorities for the sector by the Heritage Forum.

Against this the pressure on public resources is increasing in other policy areas and citizen expectations for all public services are rising. In particular as the population ages, the pressures on areas such as social security and health care increase.

As a result, if the sector is unable to demonstrate effectively the value it delivers then it risks remaining on the periphery of public policy priorities and not being able to make its case for a fair share of resources.

It is these challenges and their implications, together with some preliminary conclusions, which this report explores.

4. Current methods of measuring the public value of Heritage

This section discusses the traditional target based methods and newer value-based methods used to demonstrate the value heritage delivers.

4.1 Traditional Methods

Traditional methods of measuring the value of heritage, including the introduction of a system of departmental and service performance targets (Public Service Agreements) for Government, have focused on inputs and outputs (total numbers of visitors, numbers of child visitors, numbers of learners in on-site and outreach educational programmes, evaluation of overall user satisfaction).

These 'New Public Management' approaches have provided a number of benefits. By setting the target of improving access from minority and socially deprived groups to the historic environment by increasing the number of visits by a specific quantity (e.g. +100,000 in 2001, +3% in 2004), public policy goals and requirements for heritage have been much more clearly specified.

As a result, the relationship between resources and results is much more explicit. Policy makers and heritage managers can be held to account on the basis of the results they deliver – not simply on whether they spend their budgets. As such, decisions about resource allocation can also be made on the basis of whether targets have been met.

However, this method has not been without significant shortcomings and we identify three limitations:

a. Insufficient focus on citizens and their requirements

Targets and measures do not always tell a comprehensive story of the citizen's experience of receiving public services. They can fail to measure aspects of performance that would provide a better insight into the citizen's perspective. As such simply measuring increasing numbers of new visitors to heritage sites fails to capture other aspects of the visit such as visitor satisfaction or success in learning about the past.

b. Focus on outputs not outcomes

In emphasising the need to deliver results against quantitative targets, great importance has been attached to inputs (e.g. visits from children/school groups) and outputs (e.g. pass rates at history GCSE) but not to outcomes (e.g. increasing cultural awareness, skills and identity). Yet outcomes come closest to demonstrating the impact of heritage.

c. Failure to reconcile outcomes and cost effectiveness

Current methods fail to consider the cost of outcomes. This approach means it is not possible to accurately calculate the cost of increasing or improving outcome delivery. An increase in investment does not necessarily produce an increase in the positive impact of heritage, and in the absence of better information on the relationship between outcomes and cost there is a danger of investing money past the point of what economists call 'diminishing returns'. Equally, cost cutting per se does not necessarily improve cost effectiveness or impact on outcomes. The key issue is how effectively money is being spent. The heritage sector needs to examine the return on resources consumed.

4.2 Public Value Concepts of Heritage

In an attempt to overcome these limitations, the concept of public value has emerged in the wider public sector. This concept has rapidly gained ground, evidenced by the growing body of research and writing produced by central Government, academia and the media.

Public value is a concept developed by the work of Mark Moore² and John Bennington³ and has been advanced centrally in a series of papers developed by the UK Treasury (*Public Services: meeting the productivity challenge*⁴). It establishes that there is a need for public services to deliver high quality customer focused service that also offers value for money to taxpayers. It concludes that governments should have clear, long term goals expressed as desired outcomes.

² Mark Moore is the Daniel and Florence Guggenheim Professor of Criminal Justice Policy and Management and Faculty Director of the Hauser Center for Nonprofit Organizations.

³ Director of the Institute of Governance and Public Management, Warwick University.

⁴ April 2003.

In *Creating Public Value, An Analytical Framework for Public Service Reform*⁵, public value is suggested as the value created by governments through the services, laws, regulations and other actions that it provides to all its citizens. A measurement tool is envisaged that can both inform Government policy and the bodies delivering these policies as well as impact the delivery of front line services. In doing this it facilitates the decision making around the allocation of resources and appropriate systems of delivery. How this might be measured however is unclear.

This broader approach to thinking about goals and performance allows a focus on the citizen's perspective and concentrates on outcomes as opposed to inputs and outputs. It allows the correction of some of the problems identified with the traditional approaches, but does not provide practical tools.

Alternative concepts of public value have been developed for the heritage and culture sector. The BBC recently based its charter review around public value theory and the Commission for Architecture and the Built Environment (CABE)⁶ has reacted similarly in its evaluation of public spaces.

The model of public value generally adopted by the heritage sector identifies three equally important values:

a. Intrinsic Value

Value inherent in heritage, the benefit derived from heritage products for their existence value and for their own sake.

b. Instrumental Value

The benefit of the heritage product in terms of visitors, volunteers and wider social, economic, environmental and educational benefits at a community level.

c. Institutional Value

The processes and techniques used to create value, organisational legitimacy, public trust in the organisation, accountability and public trust in the fairness and equality of organisational processes.

The Heritage Lottery Fund has used this approach to help it address its core function – the process in which it receives and distributes monies. This model enables the Heritage Lottery Fund to perform its core role by providing a framework and language which reflects, recognises, and captures a view of the range of values expressed through culture. It goes some way to enabling HLF to make decisions about allocation of funding, which moves beyond just evidence and begins to address the public as the source of legitimising public funding.

A number of other concepts are being developed which focus on examining the role of the public in assigning public value and organisations' institutional capacity to respond to the public. Although useful approaches in thinking about the concept of public value to the heritage sector neither have provided a framework that adequately answers all of the challenges that are currently being faced by the sector.

4.3 Limitations of Public Value Concepts of Heritage

The concept of public value marks progress in the thinking around the measurement of value and offers partial solutions to some of the challenges faced by the heritage sector. However, limitations to this approach still remain:

a. Cost efficiency is not adequately taken into consideration

Current public value concepts of heritage do not adequately marry outcomes and the cost in delivering these. A heritage site may be delivering value, but the cost of this is not effectively addressed and nor is the opportunity cost of pursuing certain outcomes.

b. Concept of public value lacks precision

Current public value concepts of heritage are complex concepts which have limited value to policy decision makers and heritage managers.

c. Quantification is required

The lack of quantification prohibits the understanding and managing of trade-offs. Consequently there is no method by which highest priorities can be pursued or those that add more value. As a result policy makers and heritage

⁵ Strategy Unit, Cabinet Office October 2002

⁶ 'Physical Capital - How great spaces boost public value' CABE 2005

managers continue to have difficulty in assessing whether support and subsidy should be allocated to heritage of historical or cultural significance but with low visitor numbers or heritage of debatable historical or cultural significance but with high visitor numbers.

d. No analysis of value drivers takes place

Although public value concepts may indicate whether a site is creating value, the drivers of this and a comparison of value added from different developments are missing. An understanding of the behaviours that promote value creation would allow sites to maximise these behaviours and showcase them to other sites as best practice.

5. The Accenture Public Service Value Model

This section gives an overview of the Public Service Value Model.

To improve understanding of value creation in the public sector, Accenture has created the Accenture Public Service Value Model. This model examines the value public organisations deliver from the perspective of the citizen and provides a single indicative measure of value creation and delivery, by aggregating quantitative performance indicators with more subjective, qualitative indicators such as levels of customer relations. The model differs from previous methods by considering how much this costs and consequently, how cost effectively value has been delivered. As a result, the model enables organisations or sectors to focus their resources on specific value creating activities or assets. The box below gives a broad outline of the Public Service Value model. Appendix A demonstrates how the model has been applied to sectors such as policing and education.

Introducing the Accenture Public Service Value Model

Utilising principles of Shareholder Value Analysis (SVA), Accenture has developed an analytical tool for quantitatively measuring and tracking the levels of public value generated by public sector organisations. The central premise of the SVA model, and its ability to capture overarching measures of performance to which more detailed operational measures and targets are subordinate, is it allows managers in successful companies to focus on what is most important in overall value creation. Whilst SVA satisfies customers in a way that generates profitable growth in order to maximize value for shareholders, the Public Service Value model seeks to satisfy citizens in a way that generates their required outcomes from a public good or service, and doing so in a cost effective manner. This approach overcomes the tendency of traditional approaches to measure value in the public sector to be based on target based outputs, which focus on operational efficiency. This traditional approach disregards an agency's ability to create value from the citizen perspective and the cost an agency incurs in achieving these outputs, its cost effectiveness. Figure 1 below summarises the Public Service Value model.

The Public Service Value approach takes a genuine interest in what citizens think and means engaging a much wider part of society. It adopts an approach where delivery alone is not the only measure of success. Rather, the quality and effectiveness of services delivered is paramount. The Public Service Value Model therefore examines the performance of organisations delivering public services from the perspective of the citizen, bridging the gap between performance management tools and the operational reality of the public service sphere. The tool allows the measurement and management of performance with an emphasis on defining and tracking value creators. It also considers the cost of driving value and consequently the cost effectiveness of reaching desired outcomes.

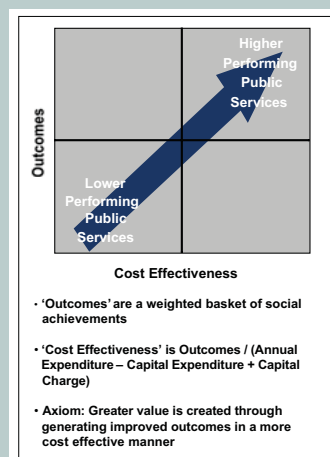


Figure 1. Public Service Model

The Public Service Value Model aims to be a practical tool. It is not intended to be an all-or-nothing method that renders previous approaches to performance management, such as the balanced scorecard, obsolete. Rather, it is meant to be complementary, and to aid organisations in meeting their strategic objectives.

Outcomes

Outcomes are a basket of high level social achievements, changes or benefits delivered by a service and aligned to citizen expectations. Outcomes can be weighted to reflect priorities and are measured by a series of measures which may themselves be weighted to reflect priorities within the selected outcome. In larger models outcomes are split further into sub-outcomes allowing a more detailed level of organisation and understanding.

The Public Service Value Model focuses on defining and measuring outcomes, with a view to understanding what is really driving value for the citizen in an organisation. Indeed, the very act of getting organisations to think of not *what they do* but what citizens *want from them* can identify organisational strategies that are not aligned with public service value creation.

Cost Effectiveness

Cost effectiveness (C/E) refers to the financial costs borne in order for the outcomes to be delivered. It takes into account total expenditure and capital charges on the capital stock employed in delivering the service.

Conducting a Public Service Value analysis within the Heritage Sector – both at the sector wide level, or the individual site level involves five steps summarised below:

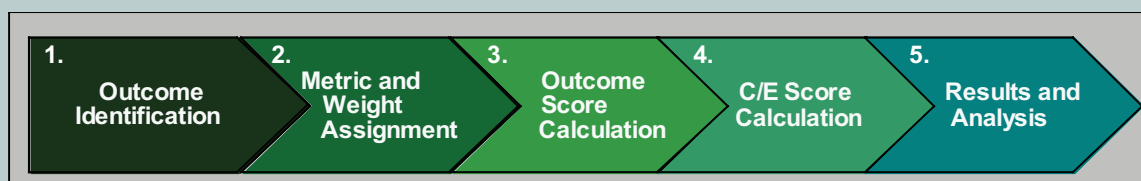


Figure 2. Steps in a Public Service Value Analysis

5.1 The Heritage Public Service Value Model

This section looks at the application of the Public Service Value Model to the heritage sector and presents some preliminary findings based on the application of the model to three National Trust case studies.

a. Focusing on the citizen and their requirements

As has been discussed, targets and measures can fail to measure aspects of performance that would provide a better insight into the citizen's perspective. Public value establishes the need for clear, long term citizen centric goals expressed as desired outcomes.

In the Public Service Value Model outcomes are defined as a basket of high level social achievements, changes or benefits delivered by a service and aligned to citizen expectations.

In order to identify suitable outcomes for the heritage sector a workshop was held with the National Trust, English Heritage, the Historic Houses Association and the Heritage Lottery Fund. This group considered the purpose, mission and citizen expectations of these organisations and of the sector in general. Development of the outcomes also took into account other key statements on the purpose of heritage, such as the priorities identified for the sector as a whole by the Heritage Forum.

A range of outcomes were then created and considered by the sector. After debate and deliberation, the stakeholders agreed on the three outcomes illustrated in the box below as a fair representation of the requirements of citizens and the aims of the sector. Due to time constraints and the pilot/exploratory nature of the work, no citizen contact was made at this stage.

Outcome Model for Heritage Sector

1. Optimise user experience

Encouraging the use of heritage; being a source of inspiration with customers; providing excellence in visitor experience reconciled with conservation; ensuring access for all sectors of the public.

» *Developing current model's concept of institutional value which focuses on the individual's perspective, organisational legitimacy, accountability and public trust in the fairness and equality of the organisation and its processes.*

2. Optimise impact on local community

Providing economic, regeneration, environmental, educational, health and social inclusion benefit to the local community.

» *Developing current model's concept of instrumental value in terms of the wider benefits of the heritage product at a community level.*

3. Optimise benefit to the National Interest

Offering wider economic, tourism benefits, increasing cultural awareness, skills, identity and environmental benefits and existence value.

» *Developing current model's current model of intrinsic value in terms of the benefit derived from heritage products for their existence value and for their own sake.*

The three selected outcomes are a development upon the three current heritage public values (intrinsic, instrumental, and institutional). These are not exact matches. For example, a visitor to a heritage site has an impact on all three values such as by providing income to the local community, visiting because they identify with the heritage site as well as believing it is a part of the national identity. However, the selected outcomes develop the three current values further to address the benefits heritage generates at the individual, community and national level.

The three selected Public Service Value outcomes have also developed the three current heritage sector values in line with the concept of public value. This states that outcomes should be able to inform government policy and the bodies delivering these policies, as well as impact the delivery of front line services. In other words they must be practical in order for them to be measured. Criteria such as whether the chosen outcomes are mission focused (in terms of being aligned with the sector's mission, vision, and strategy), action oriented (in terms of whether they drive improvement and whether employees are held accountable for improving them), create value for stakeholders (the citizen) and are comprehensive in nature must be considered when deciding upon relevant outcomes. The three selected Public Service Value outcomes are not definitive in nature but they are a first attempt to address these issues and factors.

b. Focusing on outcomes not outputs

Quantitative targets focus on inputs and outputs. They fail to take into account more qualitative measures which when taken together with quantitative measures provide a more holistic picture of whether an outcome is being achieved or not. The Public Service Value Model identifies both quantitative measures and qualitative measures which are used to measure how successfully the chosen outcomes are being achieved. In addition outcomes and metrics are weighted to reflect citizen and local priorities, as well as organisational priorities.

The following table illustrates the possible metrics which measure each of the three outcomes. It also explains the relevant weightings attached to each outcome and the chosen metrics. These were discussed during the workshop with the National Trust, English Heritage, the Historic Houses Association and the Heritage Lottery Fund.

Public Service Value Outcome Model for the Heritage Sector

Outcome	Weighting	Rationale	Possible Metric	Weighting	Rationale
1. Optimise user experience	40%	Weighted slightly more than the other outcomes as the visitor experience is fundamental to the present public use of the property	Total visitor numbers	25%	Visitor numbers are most important metric for the user experience, hence highest weighting
			Adult enjoyment rated excellent/VG	20%	Rating of visit by visitors an important metric for the customer experience. All given equal weighting as represent different categories of visitors
			Child enjoyment rated excellent/VG	20%	
			Rated value for money	20%	Perception of value for money important metric in overall customer experience. Given equal weighting to metrics measuring excellence
			Overall service	15%	Rating of overall experience of service important but does not capture all of the visitor's experience - hence weighted slightly lower
2. Optimise impact on local community	30%	Given equal weight to Wider Population Outcome to give equal balance to the wider by-products of heritage which benefit the present as well as future	Economic impact on local community (<i>survey of local impact</i>)	20%	Metric which measures overall economic impact in terms of local enjoyment, trade, regeneration, weighted slightly more than metrics contributing to learning outcomes
			No. of school children	15%	School trips/pupils represent the educational value and benefit
			No. of children from govt. target groups	35%	Most important metric as it contributes to increasing access for the local community as well as educational outcomes, hence highest weighting
			Children's facilities rated excellent/VG	15%	Contributes to learning outcomes and number of school children
			Volunteer numbers	15%	Volunteers represent engagement by the local community as well as benefits to local economy in terms of employment
3. Optimise benefit to the wider population	30%	Given equal weighting to Local Community Outcome as a measure of the wider value of heritage which visitor and local community outcome cannot encompass	Economic impact through tourism (foreign + national)	70%	Wider impact of attracting visitors nationally and abroad contributes to a sense of national identity and value, hence highest weighting
			No of new members joined at property	20%	Measures the attraction of joining organisation such as the National Trust as a means to contribute to the national heritage
			Life and Times of the Property rated excellent/VG	10%	Measures how well the site reflects its historical and cultural significance

Criteria such as whether the metrics are outcome focused (in terms of whether they are measuring the 'end goal' and not the inputs or outputs used to achieve it), citizen focused (in terms of whether they measure what stakeholders value), measurable (in terms of whether they are quantifiable, reliable, and well defined), comprehensive (in terms of whether they give a holistic picture of performance), feasible (in terms of whether the data is available or reasonable to collect), or meaningful (in terms of whether decisions be made from their measurement) must be considered when deciding upon relevant metrics.

The selected metrics and weightings further develop the current heritage sector model (intrinsic, instrumental, and institutional). This model has intrinsic, instrumental, and institutional value all being similar. The weightings of three Public Service Value heritage outcomes have incorporated this but the flexibility of the model allows for weightings to be tailored according to factors such as local priorities. This is demonstrated further in the Montacute House case study. In addition, the weighting of metrics further strengthens the model to reflect local priorities.

The metrics and weightings identified in the above table are not definitive in nature. They are a first attempt to capture indicators that could be used to measure the three outcomes. As can be seen from the case studies (detailed in Appendix B), each case study had to be adapted in terms of metrics. Assessments were conducted for each case study on the quality and quantity of the data available.

An example of a possible Public Service Value Model for the National Trust case studies is given below in Figure 3.

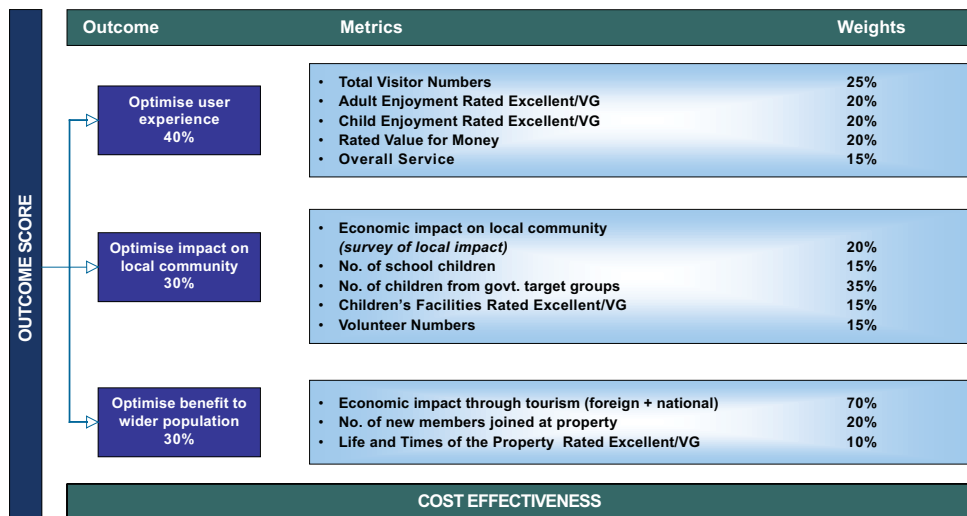


Figure 3. Possible Heritage Public Service Value Outcome Model.

c. Reconciling outcomes and cost effectiveness

As has been discussed current public value concepts of heritage do not marry outcomes and cost of delivery. The Public Service Value Model calculates a single quantitative measure for the three heritage outcomes and for cost effectiveness. The outcome score and cost effectiveness score can then be compared in the Public Service Value matrix to determine whether outcomes are being delivered in a cost effective manner.

Given the outcomes and metrics chosen in the workshops, and the weights allocated between those outcomes and metrics, the model as outlined above was used as the basis for the three case studies, Montacute House, Sutton House and Stourhead. Further details on each case study can be found in Appendix B.

The following box gives a summary of how the heritage Public Service Value Model was applied to the Montacute House case study and covers how the outcomes and metrics were applied as well how the weightings were devised.

The results of the Montacute House case study are subsequently examined, starting with an analysis of the Public Service Value matrix to determine whether Montacute are delivering the outcomes in a cost effective manner.

Case Study 1: Montacute House

Context

Built at the end of the 16th century for Sir Edward Phelips, a successful lawyer and politician, Montacute is a magnificent Elizabethan stone-built manor house, park and garden. The house is home to a collection of 17th and 18th century samplers and a fine art collection that boasts over 50 historic portraits as a result of a joint venture between The National Trust and the National Portrait Gallery. These historic treasures, and the use of Montacute as a location for the filming of *Sense and Sensibility* (1995) makes the site popular with families.

Public Service Value Analysis

Through discussions with Montacute around the population it serves and the demands of this population, the outcome model (Figure 4) was developed which shows available measures being aligned to outcomes.

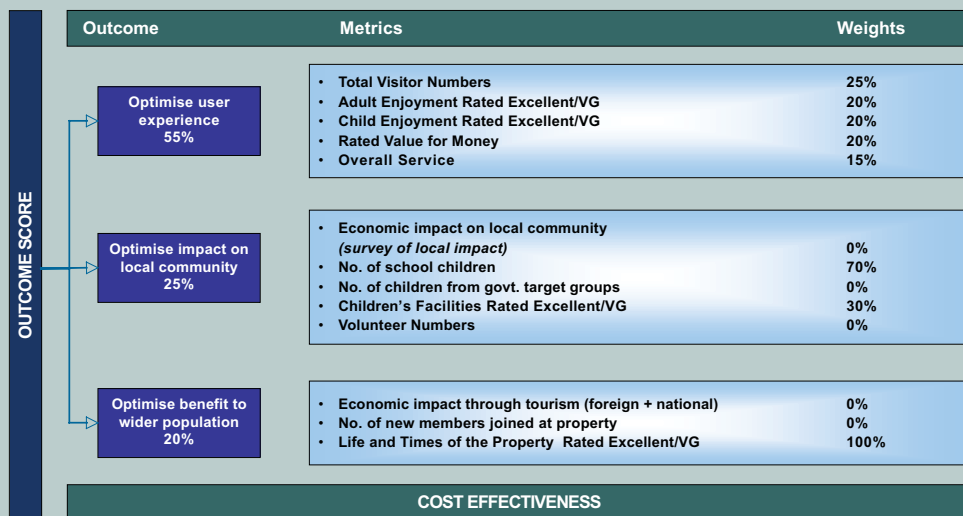


Figure 4. Montacute Public Service Value Outcome Model

Considerations of Montacute model

A more detailed study would consult a citizen group, revisiting outcomes and weightings to confirm they are in line with citizen perspectives. Metrics weighted 0% were the result of data not being comprehensive enough to be input into the model. As a result the weightings for the local community outcome and wider population outcome had to be reduced. Montacute's perception amongst citizens as a useful instrument for learning, due to its Tudor ancestry, led to a heavy weighting for measures of child visitors and ratings. The Visitor outcome had the heaviest weighting as income from admissions is crucial to the property so the user experience is of paramount importance. Having only one metric within the Wider Population outcome is a limitation of the model and places a greater emphasis on the Life and Times of the Property Rated Excellent / VG. Other measures that may be applicable within this outcome are numbers of new members attracted, however this data was unavailable at the time of conducting the analysis. In future analysis thought would also be given to other data availability.

Figure 5 (overleaf) represents the results from the Public Service Value Model based upon the above outcomes, weightings and data available as applied to Montacute House. This is able to demonstrate the public value creation of operational initiatives.

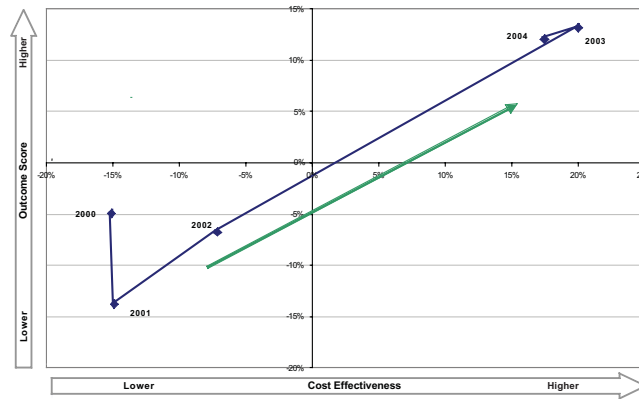


Figure 5. Montacute Public Service Value Matrix

The above matrix can be interpreted as follows and raises a number of issues:

In general:

- Montacute can be said to be delivering increasing public value with the graph showing a move from the bottom left quadrant in 2000 to the upper right quadrant in 2004. Outcomes are increasing at a faster rate than cost effectiveness thus creating public value.

Specifically:

- Fall in outcome scores by nearly 10 percentage points from 2000 – 2001 despite a slight increase in the cost effectiveness of outcome delivery leads to overall decrease in public value creation. A cost cutting exercise or other initiative appears to have affected the delivery of outcomes.
- 2001 – 2003 sees a period in positive public value creation. This is a result of a year on year increase of outcome scores and cost effectiveness scores. Resources are successfully being directed towards value creating programmes to the benefit of the citizen.
- 2003 – 2004 sees a decrease in cost effectiveness and outcome scores. This stops the upward value creation trend. However Montacute is still within a high-performing quadrant having had a significantly positive public value creation since 2000 and is still performing well compared to the whole period 2000 – 2004. However, compared to 2003, 2004 has seen a drop in cost effectiveness and outcome score which might imply that a second cost cutting exercise or other initiative might have affected the delivery of outcomes.

The Public Service Value matrix can be broken down to examine the relationship between outcomes, expenditure and cost effectiveness (Figure 6).

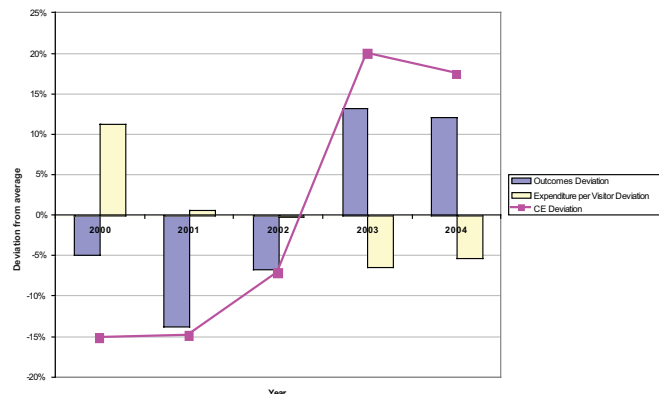


Figure 6. Montacute Cost Effectiveness Breakdown

This graph can be interpreted as follows and raises a number of issues:

- In general cost effectiveness improves throughout the period, apart from a small decrease in 2004. Outcomes in general also improve (2001 – 2003). Expenditure per visitor also improves (2000 – 2003) generating improving cost effectiveness.

Specifically:

- Expenditure per visitor decreases from 2000 to 2001 and outcomes decrease. This implies that the reduction in Montacute's expenditure might have impacted on its delivery of outcomes.
- However, expenditure per visitor is also reduced from 2002 to 2003, but outcomes significantly increase. This implies that Montacute reduced its expenditure but in this case this did result in better outcome delivery.
- This analysis implies that there was a difference between the two reductions in expenditure per visitor. One destroyed value whereas the other increased value. This could be an area of further work with Montacute from which it could learn valuable lessons.

d. Quantifying results

The lack of quantification in current public value concepts of heritage prohibits the understanding and managing of trade-offs. It is difficult to identify highest priorities and pursue them or focus resource on activities that add more value. By providing indicative measures of value creation and delivery for each outcome through aggregating quantitative performance indicators with more subjective, qualitative indicators, the Public Service Value Model is able to illustrate where value is being created or destroyed. As a result it provides insight into where resources or support should be prioritised or allocated in order to optimise overall value.

The Public Service Value Model achieves this by breaking down the outcomes individually to analyse performance.

The outcome breakdown for Montacute House is given below (Figure 7).



Figure 7. Montacute Public Service Value Outcome Breakdown

The above graph can be interpreted as follows and raises a number of questions:

- In general, the local community outcome is driving the overall increase in outcome performance

Specifically:

- Between 2000 and 2001 all outcome scores decrease slightly. The declining user satisfaction outcome had a major impact on value creation. Out of the metrics contributing to this outcome score, 'child enjoyment' had the major impact.

- 2001 was the beginning of an upward trend in the overall outcome score, and is reinforced by an improvement in all constituent outcomes: the optimisation of Visitor Experience, impact on Local Community and benefits to the Wider Population.
- The Local Community Outcome made a substantial contribution to the increase in the overall outcomes score up to 2003. Out of the metrics contributing to this outcome score it is possible that a slight increase in the number of school children and a much greater increase (by over four times) in the 'children's facilities' rating drove this improvement.
- From 2003 – 2004 the improving local community outcome sustained the overall outcome performance despite a decline in the other two outcomes.

e. Analysing value drivers

Although public value concepts may indicate whether a site is creating value, the concepts are limited in analysing the drivers of this value. As a result there is limited understanding of the behaviours that promote value creation.

The Public Service Value Model enables organisations to analyse what is driving their value. Three examples of value drivers from the three case studies are given below.

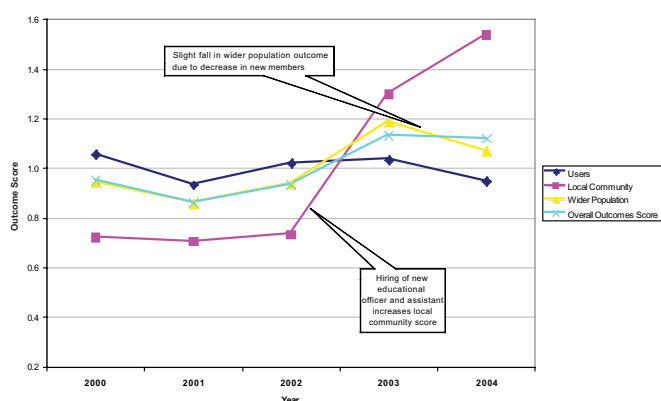


Figure 8. Montacute Public Service Value Outcome Breakdown

Discussions with Montacute have suggested that the appointments of an education officer and assistant in 2002 had a positive impact on all outcome scores and in particular the local community outcome. These appointments led to the provision of a wider range of educational activities with an emphasis on quality, a marketing and publicity campaign (including the dispersion of leaflets that enabled children to come back for free), utilisation of Montacute's academic relevance to the Tudor period, and more activities tied into the aims of the National Curriculum.

Similar insights are revealed from the analysis of Sutton House and Stourhead:

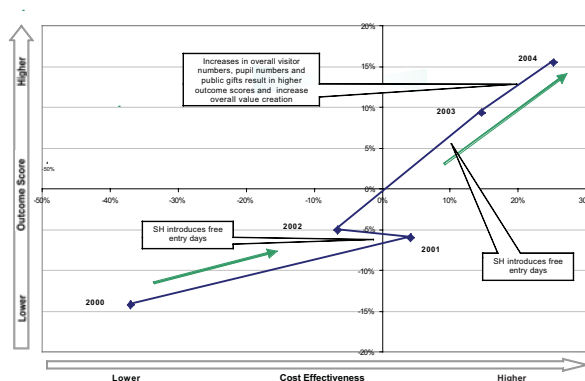


Figure 9. Sutton House Public Service Value Matrix

Discussions with Sutton House have suggested that the introduction of Sutton House's 'Discovery Days' which allowed free entry to the house on a Sunday had a positive impact on the positive value creation from 2000 – 2001. Further discussions with Sutton House suggest that the rise in public value creation for the period 2002 – 2004 can be linked to a programme of educational events, barriers to access projects and focus on community based projects all sustaining increasing outcome scores, despite rises in expenditure. This infers that the investment in these activities was justifiable and successful.

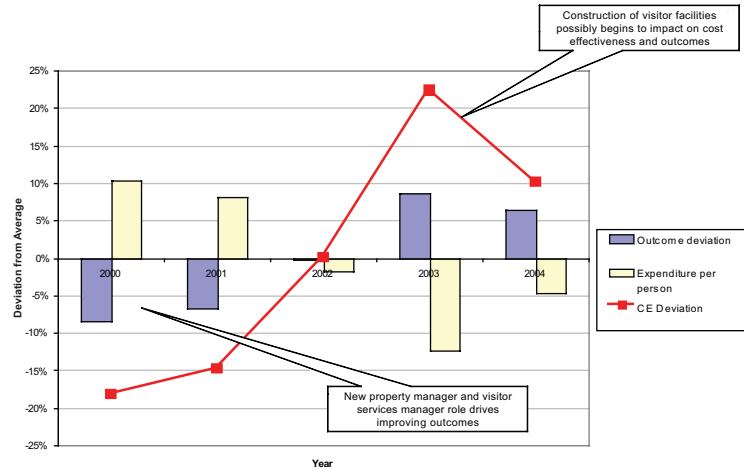


Figure 10. Stourhead Public Service Value Cost Effectiveness graph

Discussions with Stourhead have suggested that the appointments of a new property manager and visitor services manager role between 1999 and 2000 were possible drivers behind the positive value creation from 2000 – 2003. Their work included activities such as creating a programme of events with dedicated family friendly activities. From late 2002 the construction of visitor facilities began. This possibly decreased all outcomes and cost effectiveness scores for the period 2003 – 2004 but may bring benefits in the longer term.

The full detail of each case study can be found in Appendix B.

5.2 Benefits and Limitations of the Heritage Public Service Value Model

This section will explore some of the benefits and limitations of applying the Public Service Value Model to the heritage sector.

There are a number of potential benefits from the application of the model to the Heritage Sector. These are:

a. Demonstrating the impact of heritage

The Public Service Value Model requires the heritage sector and its constituent sites to identify the priority outcomes citizens require from their services and to ensure that these outcomes are pursued cost effectively. There is also the possibility to concentrate on the requirements of specific user-groups, and align strategy to them if need be, such as broadening access and inclusion.

b. Better decision-making

The model helps in making hard choices about where to target investment, prioritise and manage trade offs in ways that focus on a combination of benefit delivery to the citizen and cost effectiveness of doing this.

c. Understanding value drivers

By demonstrating the relationship between outcomes and cost effectiveness, the Public Service Value Model enables heritage sites to gain a clearer understanding of what activities maximise value. In addition, the model enables heritage sites to gain a clearer understanding of the impact of any major changes which have occurred to them. The Public

Service Value Model is a method which moves the focus of demonstrating value away from *whether* a target has been met towards an understanding of how improvements could be made to performance.

d. Strengthening accountability

The Public Service Value Model's outcome focused approach measured by actual performance indicators starts to provide clearer accountability between results and resources by delivering an approximation of actual benefit delivered to citizens.

There are also a number of limitations to the application of the Public Service Value Model to the Heritage Sector. These are:

a. The Public Service Value Model does not assess intrinsic value

Intrinsic value incorporates some of the intangible values of heritage such as the principles of stewardship and conservation as well as concepts of the historical and cultural significance of heritage, its aesthetic qualities and its option value (the value of the availability of the option of using an environmental or other asset at some future date). Intrinsic value has been used in the past to combat market forces (for example in the shape of regulations which seek to protect heritage assets for the sake of their cultural or historical significance even when they are no longer contributing significant economic benefits) but it is difficult to measure. Traditionally heritage experts have been the sole arbiters of intrinsic value and as such have been the primary advisers on policy and the allocation of resources. That view is now changing within the sector as mechanisms are sought which enable greater consultation and engagement with the citizen. Mechanisms such as citizen juries and concepts such as public value are helping develop this approach further.

b. Quality and quantity of data

As with any model that involves quantification and the use of metrics, the analysis is only as good as the data which is used. The relatively autonomous nature of National Trust properties meant that data collection from property to property was neither uniform nor comprehensive, which impacted the choice of suitable metrics used to measure each outcome. In order for a Public Service Value analysis to be of value, data must be consistent and collected over a reasonable amount of time (i.e. the same metric is recorded annually for five years). A lack of data or incorrect data could lead to an incorrect or incomprehensive view of performance.

c. Characteristics of the heritage sector

The heritage sector has some particular characteristics which make the application of public value concepts challenging. In part the heritage sector creates a wide and diverse range of values, many of which are very difficult to measure but which must be taken into account in order to derive better value quantifications. This is very different to other public sector areas such as health and education whose benefits are more clearly defined and more closely aligned to cost benefit analysis.

6. Conclusion

This report has discussed some of the challenges the heritage sector faces, including the need to build a more persuasive and robust way of demonstrating its benefits. A number of traditional target based methods and newer value-based methods have been employed with limited success. These methods are limited because they do not address the link between value and the financial burden of delivering that value effectively. This report presented the Accenture Public Service Value Model as a possible alternative method to demonstrating the public value of heritage. This could allow the sector to gain wider recognition of the contribution it makes to public policy priorities through the public benefits it provides, and as a result help the sector to justify a greater share of resources and a higher public policy priority.

Given the outcomes and metrics chosen the Public Service Value Model identified some value drivers in each of the three case studies, which will enable them to consider how to optimise their public value. Going forward, with further consultation with the public, heritage managers, the wider sector, the Department for Culture, Media and Sport and HM Treasury, it would be possible to develop a more robust model in terms of outcomes, weightings and metrics.

There would be three key benefits from this exercise. By focusing on outcomes and metrics, it would be possible for both the sector and the policy maker to identify and focus on the measures which create value. As a result, the burden of data collection on heritage managers could be reduced.

The second benefit would be in developing an agreed sector wide model, which would assist decision-making on the size and shape of the sector's asset portfolio. This would also inform decision over the use of public funds, policy and legislation to support these assets for optimum public benefit. Given the large and diverse nature of heritage and the historic environment this would help decide where to prioritise investment.

In the context of heritage, there are some hard choices to be made for the sector when it comes to managing its portfolio of assets. Is support targeted at heritage which is of high historical and cultural significance but receives low visitor numbers? Or is support targeted at heritage which is of comparably low historical and cultural significance but receives high visitor numbers?

An example of a possible portfolio matrix and the questions it raises for the sector is given in Figure 11.

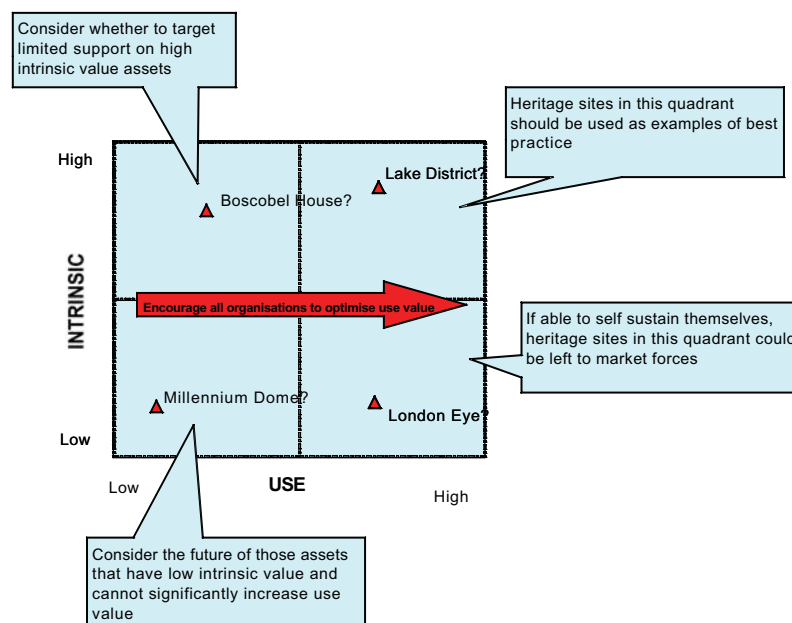


Figure 11. Possible Heritage Portfolio Management Matrix

Current public value concepts of heritage have provided a useful starting point to the debate about how best to capture the value of heritage. Going forward it is possible that the Public Service Value Model and these other concepts could seek to complement each other as the heritage sector addresses the challenge made by Tessa Jowell, Secretary of State for Culture, Media and Sport to '*... beware of Public Value 'blah' ...*'⁷.

⁷ Culture Secretary Tessa Jowell's keynote speech at the 'Capturing the Value of Heritage' event at the Royal Geographical Society, 26th January 2006.

APPENDICES

Appendix A – Other applications of the Public Service Value Model

A1 Police

Developing an outcome model for policing

A UK Police Force required a tool to help them track performance internally over time. Further, they wished to deepen their understanding of the customer, and required a concrete method with which to do so. A Public Service Value analysis was undertaken between February and October 2005 to try and understand performance over the past five year period, and from the perspective of the citizen.

The outcome model was developed by using Police Performance Assessment Framework (PPAF) indicators as a starting point, then working in collaboration with the Force to define their organisational outcomes tailored to their unique situation.

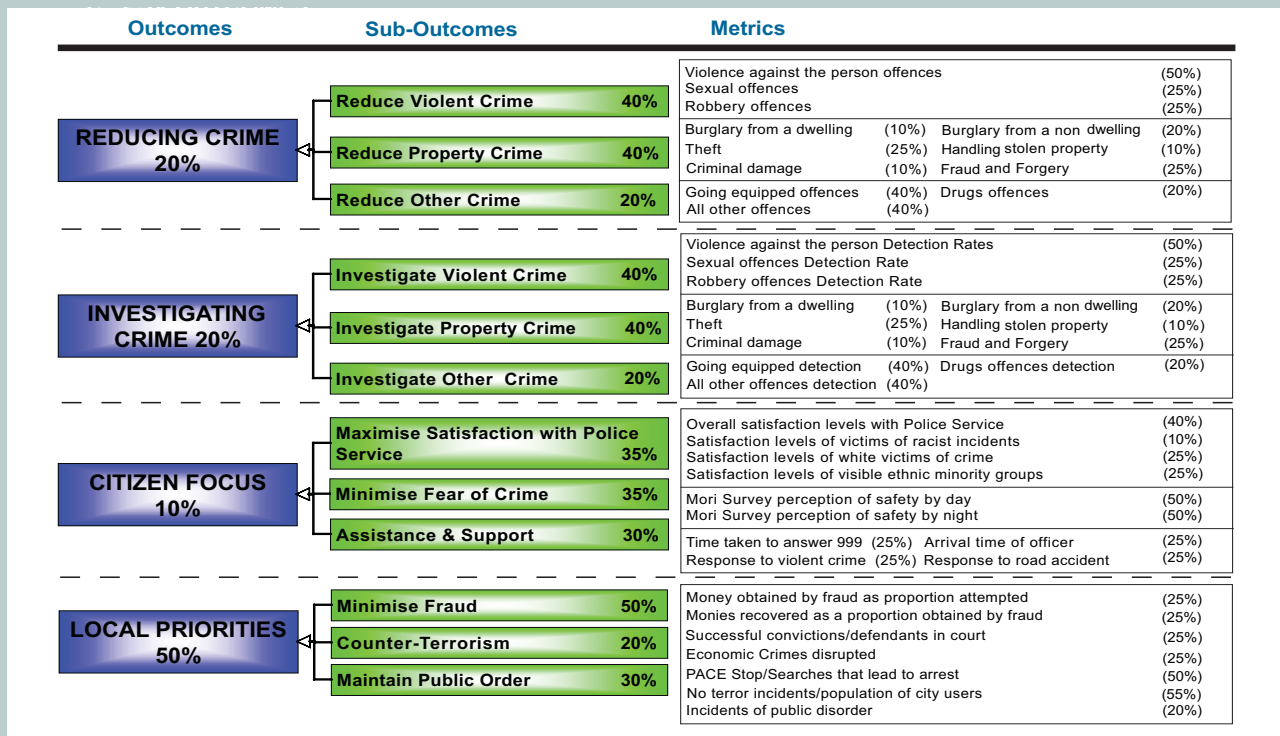


Figure 1. Policing Outcome Model

Policing Outcome Model

- The Police Force delivered Public Value over a period where the challenges associated with policing the UK, and policing their specific geographic areas increased significantly.
- Public Service Value has helped the Police Force demonstrate their delivery of citizen-centric outcomes and demonstrate the cost effectiveness in doing so. This will help in funding and budgeting questions.
- The impact of major changes or occurrences during the period can be seen in terms of value delivery, most notably the 11% increase in Officers in 2002/03.

A2 Education

Quantitative analysis for London Schools

The provision of education is subject to many performance tools, including annual surveys and benchmarking reports. In light of pressure to assess performance against a set of national standards there have been questions raised around whether standards such as exam success really are appropriate. Are there any other areas that would suggest achievement, over and above simply exam performance?

Using data on a cohort of 25 schools over a ten year period, a Public Service Value analysis was conducted looking at other outcomes of education.

Public Service Value Analysis

The outcomes for the study are shown below in Figure 1. The aim was to take into account the quality of educational provision, the environment that it was provided (including the best possible conditions for teachers), and the impact of the educated on the local community both in terms of improved life skills and opportunities, but also in providing a positive contribution to the (local) community.

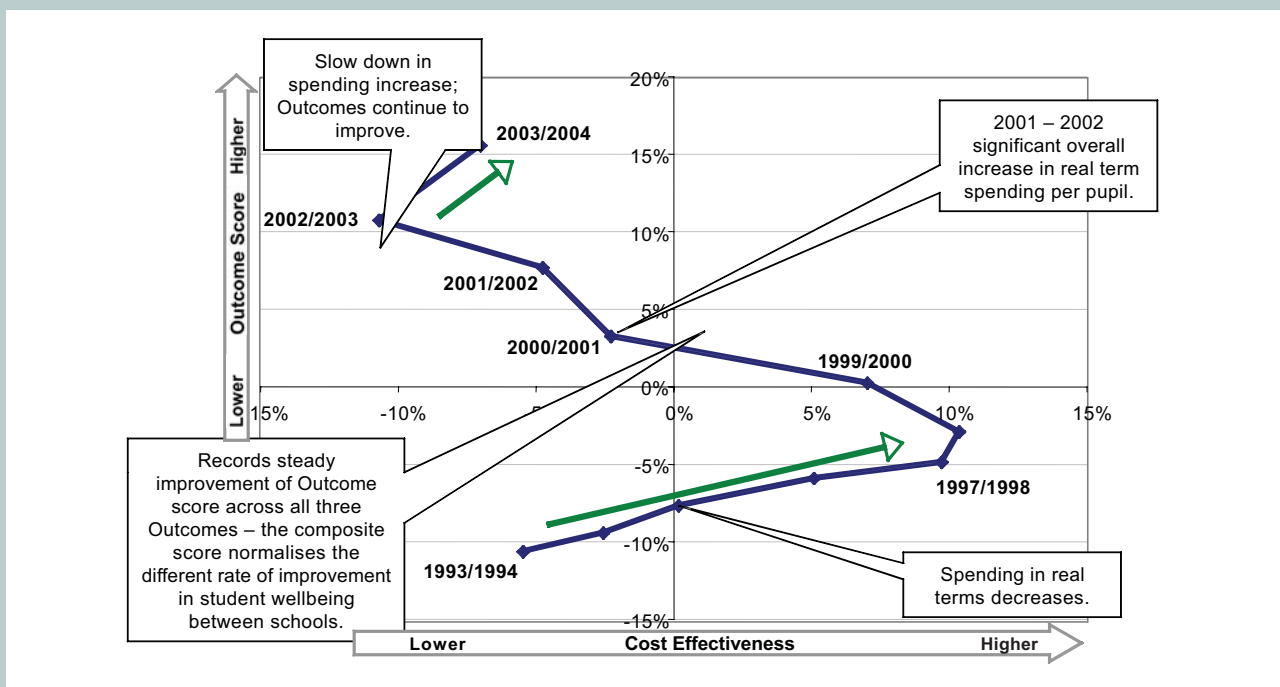


Figure 1. Schools Public Service Value Matrix

Schools PSV Matrix

- Schools which produced increasingly good GCSE results did not necessarily produce increasingly good overall outcome scores.
- The cost effectiveness for the cohort over the period is directly affected by the overall fluctuations in government spend.
- School League Tables based on GCSE results alone can be misleading if we aim to assess the value created by that school for every pupil. These schools still do well in the tables.
- Some schools managed to remain cost effective after 2000 – what was causing this?
- Difficult to assess the importance of each outcome. The weighting of the outcome model reflects the data available; outcome 3 has been given 10% weighting at present as data was not made available during the course of this study.
- Public Service Value brings another perspective to target orientated (output focussed) league tables.

Appendix B – Case studies

B1 Case Study 1: Montacute House

Context

Built at the end of the 16th century for Sir Edward Phelips, a successful lawyer and politician, Montacute is a magnificent Elizabethan stone-built manor house, park and garden. The house is home to a collection of 17th and 18th century samplers and a fine art collection that boasts over 50 historic portraits as a result of a joint venture between The National Trust and the National Portrait Gallery. These historic treasures, and the use of Montacute as a location for the filming of *Sense and Sensibility* (1995) makes the site popular with families.

Public Service Value Analysis

Through discussions with Montacute around the population it serves and the demands of this population, the outcome model below (Figure 1) was developed which shows available measures being aligned to outcomes. Metrics weighted 0% were the result of data not being comprehensive enough to be input into the model. As a result the weightings for the local community outcome and wider population outcome had to be reduced and the visitor experience outcome increased. This is also in line with visitor numbers being used in the allocation of funding. Montacute's perception amongst citizens as a useful instrument for learning, due to its Tudor ancestry, led to a heavy weighing for measures of child visitors and ratings.

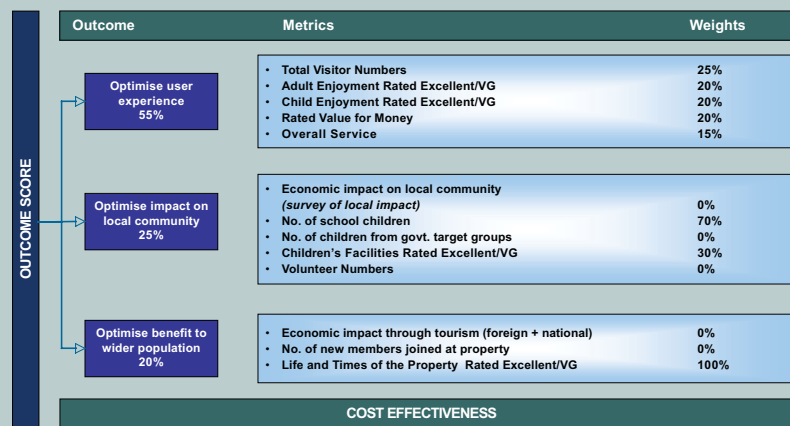


Figure 1. Montacute Public Service Value Outcome Model

Figure 2 represents the results from the Public Service Value analysis.

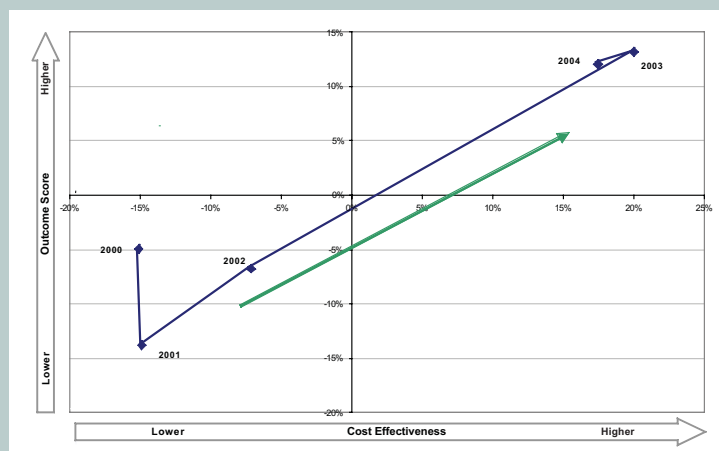


Figure 2. Montacute Public Service Value Matrix

The Public Service Value matrix shows:

- Outcome score falls by nearly 10 percentage points from 2000 to 2001 despite a slight increase in the cost effectiveness of outcome delivery. This leads to an overall decrease in public value creation.
- 2001 – 2003 sees a period of positive public value creation. This is a result of a year on year increase of outcome scores and cost effectiveness scores.
- 2003 – 2004 sees a decrease in cost effectiveness and outcome score. This stops the upward value creation trend, however Montacute are still within a high performing quadrant having had a significantly positive public value creation since 2000. Montacute is still performing well compared to the whole period 2000 – 2004, however, compared to 2003 – 2004 it has seen a drop in cost effectiveness and outcome score which might imply that a cost cutting exercise or other initiative has affected the delivery of outcomes.

The graph below provides further insight into the relationship between outcomes, expenditure and cost effectiveness.

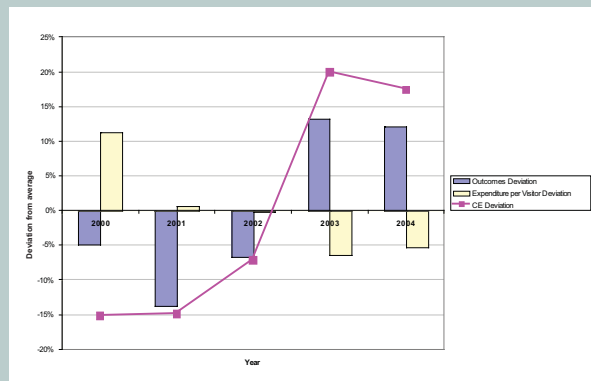


Figure 3. Montacute Public Service Value Cost Effectiveness Graph

The cost effectiveness graph shows:

- Expenditure per visitor decreases from 2000 to 2001 and outcomes decrease. This implies that the reduction in Montacute's expenditure might have impacted on its delivery of outcomes.
- However, expenditure per visitor is also reduced from 2002 to 2003, but outcomes significantly increase. This implies that Montacute reduced its expenditure but in this case this did result in better outcome delivery.
- This analysis implies that there was a difference between the two reductions in expenditure per visitor. One destroyed value whereas the other increased value. This could be an area of further work with Montacute from which it could learn valuable lessons.

To understand the results better, specifically what is driving value creation, outcomes can be broken down to understand what is driving the value creation.

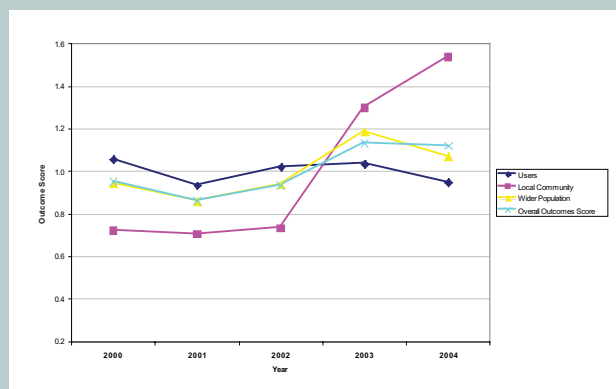


Figure 4. Montacute Public Service Value Outcomes Breakdown

The outcome breakdown graph shows:

- Between 2000 and 2001 all outcome scores decrease. Having a weighting of 55%, the declining user experience outcome was the primary cause of the decline in value creation observed in the Public Service Value matrix. Out of the metrics contributing to this outcome score, a decline in 'child enjoyment' had the biggest impact.
- 2001 was the beginning of an upward trend in the overall outcome score, and is reinforced by an improvement in all constituent outcomes. Notably, the Local Community outcome made a substantial contribution to the increase in the overall outcomes score between 2002 and 2003. An increase in the number of school children and a much greater increase (by over four times) in the 'children's facilities' rating drove this improvement. However, during the same period, the improvement in the user outcome has also slowed indicating a possible area to focus resource on.
- From 2003 to 2004 the improving local community outcome sustained the overall outcome performance despite a decline in the other two outcomes. An increase in the number of school children and in the 'children's facilities' rating continues to drive this outcome's improvement. However decreases in overall service and value for money ratings decrease the user outcome. Having a weighting of 55%, the declining user satisfaction outcome had the biggest impact on value creation in this period.

Contextual discussions with Montacute have presented actions to explain these performance observations. The appointments of an education officer and an assistant in 2002 led to the provision of a wider range of educational activities with an emphasis on quality, a marketing and publicity campaign (including the dispersion of leaflets that enabled children to come back for free), utilisation of Montacute's academic relevance to the Tudor period, and more activities tied into the aims of the National Curriculum. Whilst these appointments probably had a specific impact on the Local Community Outcome, they may have had a substantial impact on the other outcomes as well.

Conclusions

Based on this study:

- For public value creation to continue, Montacute should continue moving from the bottom left quadrant to the top right quadrant on the Public Service Value matrix, and maintain their position in the top right hand quadrant.
- Apart from 2004, in general Montacute have become more cost effective in their delivery of outcomes throughout the whole period.
- The employment of an education officer and assistant appears to have had a relatively large impact on the Local Community Outcome, which was the primary driver behind total value creation after 2002.
- However, the negative impact of the user outcome on total value creation in 2001 and 2004 suggests that this might be an area Montacute could focus extra resource on.
- The Public Service Value framework has enabled Montacute to see the impacts of decisions made, and understand the true factors behind the delivery of outcomes.

B2 Case Study 2: Sutton House

Context

Sutton House was built in 1535 by Sir Rafe Sadleir and is a rare example of a Tudor red-brick house. In 1938 it was acquired by The National Trust in an attempt to conserve the oldest house in East London and the five centuries of family history that are held within it. Located in a socially and economically deprived areas Sutton House receives a subsidy from the Trust (£160,000 in 2005) to enable it to fulfil its aims around promoting social inclusion, providing a comprehensive educational program and reducing barriers to access.

Public Service Value Analysis

Through discussions with Sutton House around the public it serves and the demands of this public, the outcome model below was developed with available measures being aligned to outcomes. Metrics weighted 0% were the result of data not being comprehensive enough to be input into the model. Visits from Government target groups (as non traditional visitors) measure community value and deepening understanding of cultural heritage in the wider population outcome. Value of public gifts used as a measure of appreciation not captured by visitor metrics. The nature of the site made some measures more appropriate than others. Sutton House were aware that public gifts are volatile and should not have a large impact on public value creation and that the social makeup of the area in which they are situated does not lend itself to large public donations so this metric should be weighted appropriately to ensure an inaccurate picture of value creation is not given.

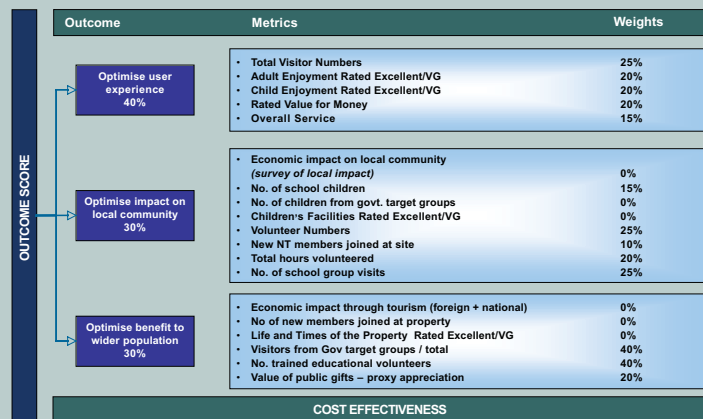


Figure 1. Sutton House Public Service Value Outcome Model

Figure 2 represents the results from a Public Service Value analysis based upon the above outcomes and weightings.

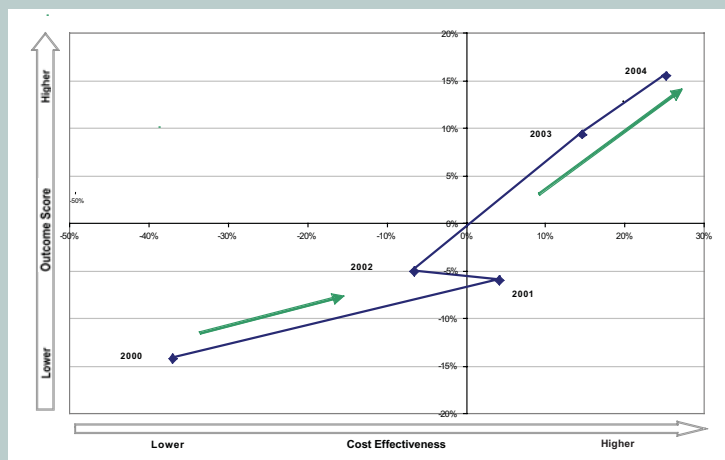


Figure 2. Sutton House Public Service Value Matrix

The Public Service Value matrix shows:

- An overall upward trend in public value creation, shifting position from the bottom left quadrant, to the top right indicating positive changes in outcomes and cost effectiveness.
- 2001 – 2002 demonstrates a small decrease in value creation. Outcomes continue to improve but cost effectiveness declines.

The graph below provides further insight into the relationship between outcomes, expenditure and cost effectiveness.

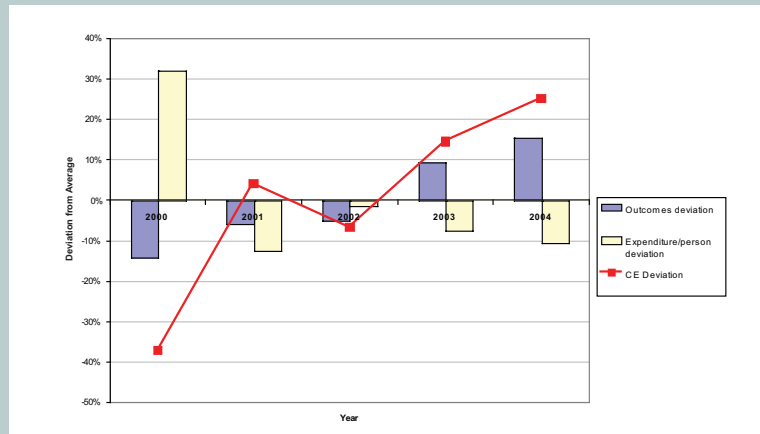


Figure 3. Sutton House Public Service Value Cost Effectiveness Breakdown

The cost effectiveness graph shows:

- Outcomes steadily improve throughout the period
- Reductions in expenditure per visitor in 2001, 2003 and 2004 coupled with increases in outcomes leads to positive increases in cost effectiveness.
- The dip in value creation in 2002 can be seen to be caused by an increase in expenditure per visitor. This implies that investment was made to sustain the improving outcome score.

To understand the results better, specifically what is driving value creation, outcomes can be decomposed to understand what is driving the outcome score.

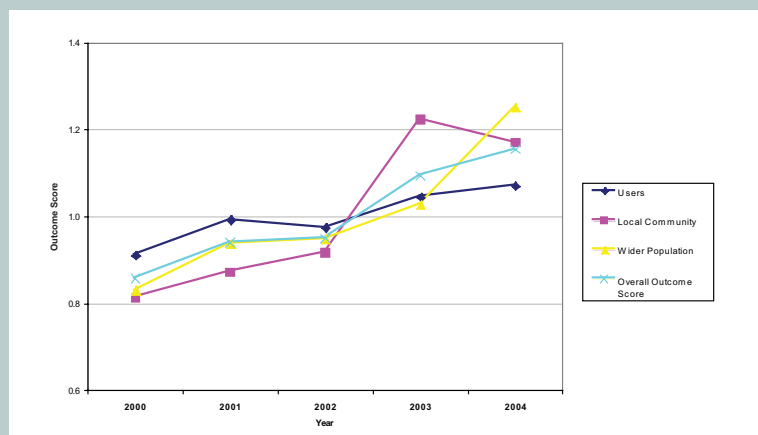


Figure 4. Sutton House Public Service Value Outcome Breakdown

The outcome breakdown graph shows:

- All outcomes are improving from 2000 – 2001 driving overall value creation.
- The dip in value creation in 2002 appears to have caused by a slight decline in the user experience outcome as a result of a decrease in visitor numbers.
- The primary driver of value creation from 2002 to 2003 was the local community outcome as a result of a significant increase in the number of school children.
- Value creation was sustained from 2003 to 2004 by continuing improvements in the user outcome and wider population outcome despite a decrease in the local community outcome.

Discussions with Sutton House have presented actions to explain these performance observations. The increases in value creation from 2000 – 2001 could be attributed to the introduction of Sutton House's 'Discovery Days'. These allow free entry to the house and there are approximately seven of these days a year on a Sunday. Further discussions with Sutton House uncover that the rise in public value creation from 2002 to 2004 can be linked to a programme of educational events, barriers to access projects and focus on community based projects all sustaining the increasing outcome scores. This infers that the investment made in 2002 in these activities was justifiable and successful.

Conclusions

Based on this study:

- For public value creation to continue, Sutton House should continue moving from the bottom left quadrant to the top right quadrant on the Public Service Value matrix, and maintain their position in the top right hand quadrant.
- Apart from the dip in 2002, Sutton House has become more cost effective in their delivery of outcomes through the whole period.
- The introduction of 'Discovery Days', community based projects and educational events had a positive impact on value creation.
- A detailed understanding why value delivery dropped in 2002 might avoid a repeat occurrence. Outcomes were steadily improving throughout the period so this implies that investment was successfully made to sustain outcome improvement.
- The Public Service Value framework has enabled Sutton House to see the impacts of decisions made, and understand the true factors behind the delivery of outcomes.

B3 Case Study 3: Stourhead

Context

Stourhead is an 18th-century landscape garden and Palladian mansion in Wiltshire. Surrounded by mature woodlands with a collection of exotic trees, the mansion is filled with Georgian treasures of Chippendale furniture and fine paintings

Public Service Value Analysis

Through discussions with Stourhead around the population it serves and the demands of this population, the outcome model below was developed with available measures being aligned to outcomes. Metrics weighted 0% were the result of data not being comprehensive enough to be input into the model.

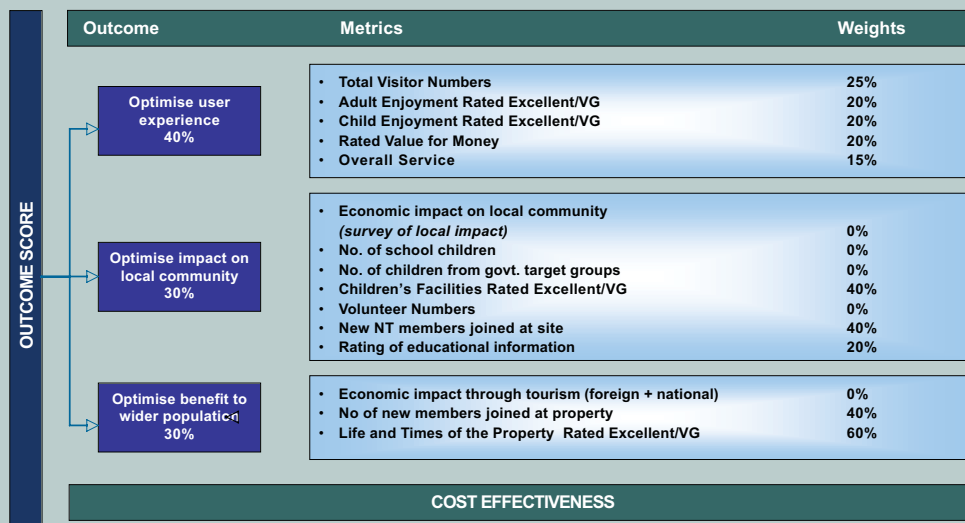


Figure 1. Stourhead Public Service Value Outcome Model

The following diagram represents the results from a Public Service Value analysis based upon the above outcomes and weightings.

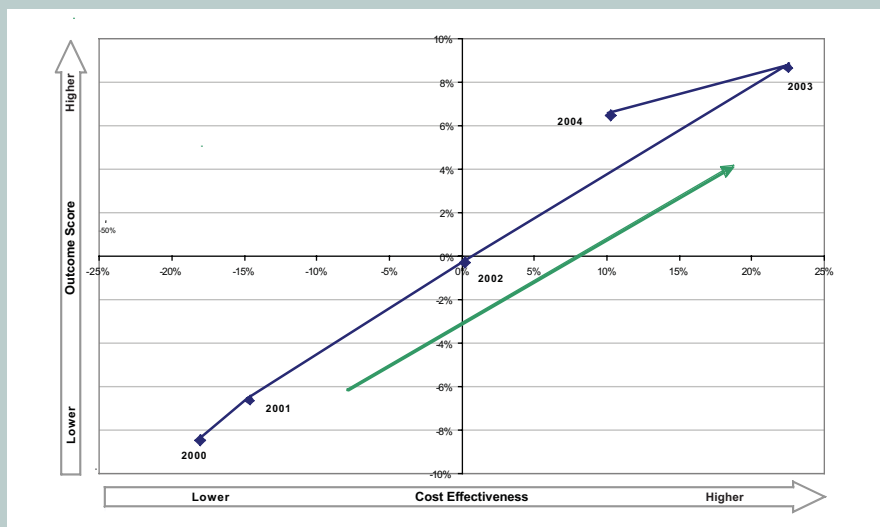


Figure 2. Stourhead Public Service Value Matrix

Throughout the period, for Stourhead there was:

- An overall upward trend in public value creation, shifting position from the bottom left quadrant, to the top right indicating positive changes in outcomes and cost effectiveness.
- 2003 – 2004 sees a decrease in cost effectiveness and outcome score. This reverses the upward value creation trend; however Stourhead is still within a high performing quadrant having had a significantly positive public value creation since 2000. Stourhead is still performing well compared to the period 2000-2002, however, compared to 2003 – 2004 has seen a drop in both cost effectiveness and outcome score which might imply that a cost cutting exercise or other initiative has affected the delivery of outcomes.

The graph below provides further insight into the relationship between outcomes, expenditure and cost effectiveness.

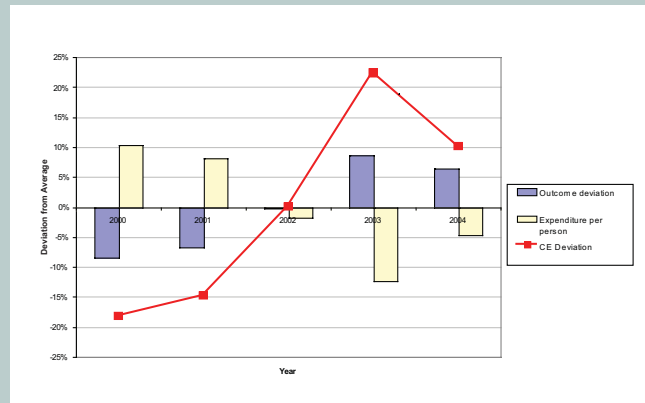


Figure 3. Stourhead Public Service Value Cost Effectiveness Breakdown

The cost effectiveness graph shows:

- From 2000-2003, both outcomes and expenditure per visitor improves, thus delivering improving cost effectiveness.
- A significant reduction in expenditure per visitor in 2003 leads to the biggest improvement in cost effectiveness for the whole period.
- A decrease in cost effectiveness in 2004 is the result of a decrease in outcomes and a significant increase in expenditure per visitor. This implies that expenditure was not spent effectively on activity which delivered value to the outcomes.

To understand the results better, specifically what is driving value creation, outcomes can be decomposed to understand what is driving the outcome score.

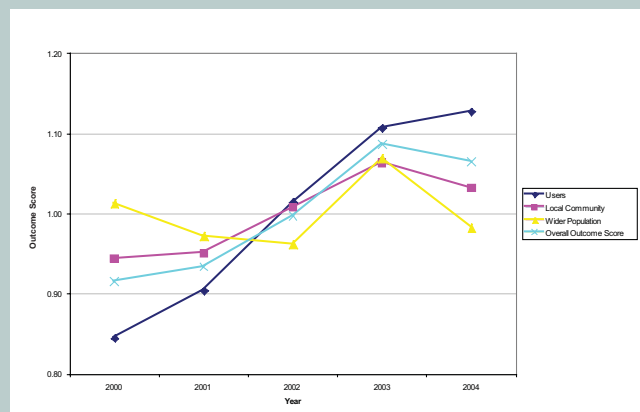


Figure 4. Stourhead Public Service Value Outcome Breakdown

The outcome breakdown graph shows:

- The positive value creation from 2000 – 2003 observed in the Public Service Value matrix is driven by the improving user outcome and local community outcome. During this period, the wider population outcome falls from 2000 – 2002 implying that Stourhead need to focus some resource on this area.
- In this period ratings of value for money were the main driver of the improving user outcome and the number of members was the main driver of the improving local community outcome.
- The drop in value creation observed in the Public Service Value matrix in 2004 appears to be caused by a decrease in the local community outcome and the wider population outcome.

Discussions with Stourhead have presented actions to explain these performance observations. The appointment of a new property manager and visitor services manager role between 1999 and 2000 are possible value drivers behind the value creation which starts in 2000. Their work included creating a programme of events with dedicated family friendly activities. From late 2002 the construction of visitor facilities began. This slowed the improvement in all outcomes scores and the cost effectiveness score. In particular the wider population outcome took a fall caused by a decline in both new membership at the property and its rating of 'life and times of property' in the annual survey.

Conclusions

Based on this study:

- For public value creation to continue, Stourhead should continue moving from the bottom left quadrant to the top right quadrant on the Public Service Value matrix, and maintain its position in the top right hand quadrant.
- Apart from 2003 – 2004, Stourhead has become more cost effective in their delivery of outcomes through the whole period.
- A detailed understanding of why value creation dropped in 2003–4 might avoid a repeat occurrence. Outcomes and cost effectiveness were steadily improving throughout the period so this implies that in 2004 expenditure was not being successfully translated into the outcomes scores. This could have been as a result of increased expenditure on the visitor facilities and the impact of its construction which may bring benefits in the longer term.
- Future Public Service Value analysis will enable Stourhead to understand whether the decision to construct visitor facilities will create public value.
- The Public Service Value framework has enabled Sutton House to see the impacts of decisions made, and understand the true factors behind the delivery of outcomes.

About Accenture

Accenture is a global management consulting, technology services and outsourcing company. Committed to delivering innovation, Accenture collaborates with its clients to help them become high-performance businesses and governments. With deep industry and business process expertise, broad global resources and a proven track record, Accenture can mobilize the right people, skills and technologies to help clients improve their performance. With more than 126,000 people in 48 countries, the company generated net revenues of US\$15.55 billion for the fiscal year ended Aug. 31, 2005.

Its home page is www.accenture.com

About the National Trust

The National Trust looks after special places forever, for everyone. People and places are at the heart of everything it does. The Trust is responsible for over 300 houses and gardens, 1,100km of coastline, 820 square kilometres of open countryside and welcomes 14 million visits to our pay for entry properties and over 50 million visits to our countryside and coast each year. With 3.4 million members it is Europe's biggest conservation charity and manages properties across England, Wales and Northern Ireland.

Contact Details:

The National Trust	Tel 020 7799 4541
32 Queen Anne's Gate	Fax 0207 222 5097
London	policy&campaigns@nationaltrust.org.uk
SW1H 9AB	www.nationaltrust.org.uk

Registered Charity No: 205846

