The True Costs of Public Participation - A Framework

How do you find out what a participation initiative has really achieved - or simply whether the benefits were really worth the time and money?

This document introduces a framework for thinking about the costs and value of participation in a structured way - to help users find a way through the complexities of the true costs and true value of engaging citizens in the decisions that affect their lives.

The current problem

Public participation in the UK has grown enormously in the past few year, with thousands of initiatives from the very local to national levels. The levels of activity are matched by high levels of investment: the GM Nation debate was estimated to cost £1.5 million; the Your Health, Your Care, Your Say at £1 million. Local authorities are also spending money on participation. It has been estimated that one London borough spends £1.5 million each year on specific consultation activities (not counting other communications, awareness-raising etc); and research in one Midlands authority found some 80 consultation exercises had been undertaken in a six-month period. An average of £2 million per year per local authority does not seem an excessive estimate of current expenditure on participation.

But even these figures are the exception to the rule at the moment. In most cases there is no cost data available at all: participation may never have been a separate budget; it may have been part of someone's job but there was no assessment of how much; it did not form part of conventional performance management so there is no cost-code for it. And there have been even fewer attempts to actually measure the benefits of participation.

This 'budgetary black hole' in the evidence is beginning to be exploited in growing attacks on participation. Political commentators Mathew Parris¹ and Dick Taverne² have both argued that participation might waste both money and time. There is also growing concern in the academic literature that participation may not deliver all that it promises³. In Scotland the costs of consultation have become a national issue: a typical headline appeared in the Glasgow Evening Times on 17 August 2005: "273 consultations... but no one was any the wiser".

Without clear evidence, it remains very difficult to assess the validity of these criticisms.

Emerging evidence on costs and benefits

Evaluation of participation processes is becoming more robust and widespread, but it still rarely includes any analysis of costs and benefits. The World Bank investigated the costs and benefits of participation in their investments in international development over ten years ago⁴, but until recently there was little else. That is beginning to change, as two recent reports for ODPM illustrate (see box below).

Parris, Matthew (2005) 'Don't ask my opinion; don't consult, engage or include; just lead: We should not tip bucket-loads of participation over every group and question', *The Times*, 26.2.05.

² Taverne, Dick (2005) *The March of Unreason: Science, Democracy, and the New Fundamentalism*, Oxford University Press, Oxford.

³ Cooke, Bill and Kothari, Uma (eds) (2001) Participation The New Tyranny. Zed Books, London.

World Bank (1994) The World Bank and Participation. World Bank Learning Group on Participatory Development, Operations Department, September 1994, Washington DC.

Knowsley neighbourhood wardens

In research on neighbourhood warden schemes, only one case study area (Knowsley) embraced a large cross-section of their community in their participatory processes: "Correspondingly, they came out highest in the residents' survey in residents reporting that the wardens helped make the area a better place to live (47%)". A sense of ownership and wide involvement strongly affected people's perceptions of their area.

The study also found that "Even assuming that only 10% of the reduction in crime rates can be attributed to wardens, there is still an overall saving". The *decline* in crime in the warden areas (nearly 28%), compared to a slight *increase* (4.7%) in comparator areas.

The involvement of stakeholders, resident involvement and active and representative steering groups were among the key factors for the success of these programmes. Participatory approaches could therefore be seen to save costs in reducing crime.

Taken from: Neighbourhood Wardens Scheme Evaluation. ODPM Research Report 8, 2004.

Community-based service delivery

Case study research in deprived areas has shown that the delivery of services through community-based organisations and deliberative processes cost an additional £45 - £60 per year, but there were significant benefits:

- Crime rates dropped by 50% in the first year of a Policing Priority Area (PPA) in Stoke-on-Trent which took a neighbourhood management approach with strong participation. Although attributable to a large extent to another initiative, it was also due to the work of the PPA - as evidenced by falls in the crime rate in other areas to which the PPA was extended. Also, at the beginning of the PPA, there were 19 void properties on the estate; there is now a waiting list.
- INclude, in Liverpool, was a community-based organisation that took on area management responsibility for some council services and a broader role in regeneration. Since INclude had been active in the area, housing void rates had dropped from 28% to zero; and there was a 50 80% reduction in four key crime indicators.

Taken from: *Improving delivery of mainstream services in deprived areas - the role of community involvement.* ODPM Research Report 16. September 2005.

These sorts of examples illustrate how powerful statistical evidence of the impacts of participation can be. It may not be possible to demonstrate direct cause and effect, especially as participation is so often just one element of a larger programme (e.g. alongside investment in physical regeneration), but it feels as though some clarity is beginning to emerge.

Thinking about value

Oscar Wilde's definition of a cynic as 'someone who knows the price of everything and the value of nothing' can be taken as a caution here. It is the value rather than the cost of participation that is important, but how do we begin to ascribe 'value' to participation in a coherent and rigorous manner?

Research for Involve⁵ has been examining the potential of various economic tools for assessing the costs and benefits of participation, to find out whether such tools could contribute to thinking about 'value'. That research concludes that simple cost benefit analysis does not work in this context, nor do all the complicated spin-offs designed to take into account non-market values - tools such as contingent valuation (in which people are asked to value a non-market good or service) and hedonistic pricing (which uses existing market choices to estimate non-market values, such as house prices near motorways compared to similar houses elsewhere to estimate the costs of noise).

Although some mainstream economic analytical tools have some elements that could form part of an appropriate framework to value participation, such as involving stakeholders and the public in defining 'value', they are generally too complicated for non-economists to use, they can provide only limited conclusions, and those conclusions may have little meaning to non-economists.

The concept of 'public value' has been proposed as a step forward from these tools, offering a "rough and ready yardstick against which to gauge the performance of policies and public institutions, make decisions about allocating resources and select appropriate systems of delivery".

This approach suggests a focus on outcomes, services and trust - far beyond the simple 'efficiencies' of previous measurement regimes, and aiming to achieve the best balance of accountability, innovation and efficiency. In this model, the focus is less on simply spending more, or cutting expenditure (as previous political models would have it), but rather "how well public resources are spent". In other words, not just looking at how much it costs, but rather what is achieved with those resources, so a much closer relationship is sought between spending / investment and achievement. However, although public value is clearly a useful concept for getting beyond the previous general principles governing public expenditure, it cannot easily be applied in practice to assessing the costs and benefits of participation.

The argument against measurement

Whatever models are used to assess the value of participation, many will still argue against any attempt to measure such things. The difficulties of actually identifying costs have already been mentioned, but there are other problems too. How do you show direct cause and effect when participation is usually part of a larger programme? When budgets are limited, may 'measurement' divert scarce resources from 'doing'? And much participation depends on the goodwill and altruism of all involved, so any measurement has to be done sensitively to avoid jeopardising some of its most useful attributes.

It has also been argued that any measurement risks over-simplifying complex processes and outcomes, and that it is simply not possible to quantify participation (and certainly not possible to put monetary values on it). How can you put a value on democracy?

A first draft of the Involve literature review for the research behind this framework is available on www.involving.org.uk

Gavin Kelly, Geoff Mulgan and Stephen Muers (2002) *Creating public value. An analytical framework for public service reform.* Strategy Unit, Cabinet Office.

Of course, democracy (and participation) will always have moral and philosophical value attached to them, which cannot be subject to such measurement. Yet evidence does already exist that can be built upon: Involve's review found research showing that Swiss cantons with more democratic rights on average had about 15% higher levels of economic performance; Robert Putnam's famous research in Italy showed how social capital (generated from social networks including those resulting from various forms of participation) affected democratic engagement and economic performance; and Nobel economics laureate Amartya Sen has shown the correlation between democracy and eradicating famine.

The argument for measurement

Numbers may not tell you everything - or even much. As David Boyle has said⁷, numbers "won't interpret. They won't inspire, and they won't tell you precisely what causes what". All that is true, but numbers will tell you *something*. It may not be conclusive, it should not be taken as more compelling than more qualitative evidence, but it does offer something that helps to illuminate the overall picture.

The danger with the anti-numbers rhetoric is that some 'good enough' evidence may be abandoned because it is not perfect. And having no data brings its own problems:

- How can you argue for innovation with no way of assessing whether it works?
- How can you argue for more resources for participation if you have no evidence on how much it costs to achieve the outcomes sought?
- How do you argue for shifting investment from end-of-pipe mechanisms for dealing with complex issues to front-end participation if you have no way of showing how costs can be saved by reducing conflict and gaining community support early on?
- How can you make the case for valuing the contribution of participants if you have no way of calculating their input?
- How can you make sure hard-to-reach, disadvantaged or excluded groups are included in participatory processes if you cannot show how much it will cost to do proper outreach and development work to reach them, and the benefits it will bring?
- How do you improve practice if it is impossible to show what has real value (especially to participants) and real impacts?

There are clearly real dangers in focusing on the measurable at the expense of the valuable. Everyone is aware that some important factors simply cannot be measured, and simplistic approaches that only focus on what can easily be measured must be avoided. Qualitative descriptive approaches will also always be needed, as will personal anecdotes and stories which provide a different sort of evidence.

However, with the developments over recent years of ways of measuring complex benefits of participation such as trust, neighbourliness, community involvement and community vibrancy (by Community Development Foundation⁸, New Economics Foundation⁹ and others), there is beginning to be greater understanding of how to disaggregate and identify the outcomes. At the moment the processes and their impacts are too often shrouded in mystery; costs are hidden and benefits unarticulated.

8 Humm, J., Jones, K. and Chanan, G. (2005) Testing Indicators of Community Involvement. Final Report. Community Development Foundation, London.

⁷ David Boyle (2004) The Tyranny of Numbers: Why counting can't make us happy. Harper Collins, London.

⁹ NEF (2000) Prove it! Measuring the effect of neighbourhood renewal on local people. New Economics Foundation, London.

Measuring the costs and benefits of participation will always be more of an art than a science, because so many of the factors involved are intangible. But the accountability and effectiveness of participatory working can only be improved if we can find some ways of assessing the costs and benefits that go beyond either vague rhetoric or simplistic number-crunching, and we can start to provide compelling evidence that shows what works in particular circumstances to achieve particular objectives.

In summary, the arguments for measuring the costs and benefits of participation are:

- To build the evidence base on the *actual* costs and benefits of participation.
- To improve practice by identifying the most effective methods for achieving the desired outcomes.
- To avoid repeating costly mistakes.
- To improve the planning and delivery of participation (e.g. better budgeting and clearer objectives).
- To demonstrate the value of participation.

In addition to these practical reasons for better measurement, there are more general ethical drivers, including:

- Accountability: much participation is funded by public money, and continuing investment needs to be justified appropriately.
- Principles of openness and transparency: this is one of the principles of good participation and essential in managing participation well.

The rest of this document aims to provide some frameworks for thinking about the costs and benefits of participation in ways that focus on 'value' as well as providing some checklists for keeping track of costs so that it becomes possible to assess the balance between costs and benefits.

A NEW FRAMEWORK

Every participation initiative will have different goals and different costs. The framework outlined below (Figs 1 and 2) is designed simply to provide the most likely *categories* of costs and benefits¹⁰ to aid planning and monitoring. Every project will want to specify their own specific details in their framework. Figs 3 and 4 provide more detailed examples of the types of goals (and indicators) that might arise - again simply as an aid to future thinking and analysis.

The framework is based on the Logical Framework (LogFrame) used in international development for the planning and evaluation of participation (DFID 1997)¹¹. The version below differs in various ways from that original LogFrame, but uses some of the main principles. In particular, the LogFrame below includes some specific goals to aid thinking about the benefits of participation.

Figure 1. A logical framework for assessing the benefits of participation

GOALS / PURPOSE	POSSIBLE	HOW TO GET	IMPORTANT
	INDICATORS	DATA	ASSUMPTIONS
Governance	The change sought / indicators of achievement	Cost-effective methods to find the necessary information	What might underlie the goal / principles, and constraints / risks
Social cohesion etc	as above	as above	as above
Quality of services / projects / programmes	as above	as above	as above
Capacity building / learning etc	as above	as above	as above

In terms of the costs, the aim is to find ways of quantifying the costs throughout, although not trying to translate all costs to a monetary value. This may be possible in many cases, and many budgets for participation may want to do this (e.g. putting a monetary value on the time given by participants in grant applications, so that it can count as help in kind when fund raising etc). However, in trying to find out some sort of balance between costs and benefits, monetarising all benefits may be counter-productive in many cases.

Figure 2. A logical framework for assessing the costs of participation

COSTS	POSSIBLE	HOW TO GET	IMPORTANT
	INDICATORS	DATA	ASSUMPTIONS
Monetary costs	The actual costs of specific activities	Cost-effective methods to find the necessary information	Factors affecting the costs for this particular initiative
Non-monetary costs	Details of the non- monetary costs	as above	as above
Risks	Details of the specific risks	as above	Extent to which the risks are likely / important (high / medium / low)

¹⁰ The benefit categories are based on the general objectives of participation in: Involve (2005) *People and Participation. How to put citizens at the heart of decision-making.* Involve / Together We can, London.

¹¹ DFID (1997) Guidelines on Humanitarian Assistance. Department for International Development, London.

Figure 3. Some of the benefits of participation

GOALS / PURPOSE	POSSIBLE INDICATORS	HOW TO GET DATA	IMPORTANT ASSUMPTIONS
GOVERNANCE:			
Democratic legitimacy	Has this initiative encouraged more people to vote in local elections?	Voter turnout figures over several years	All these impacts may be influenced by a wide range of factors, of which citizens' experience of a
Reputation / trust / legitimacy	Has this initiative encouraged people to think the council is doing a good job?	Opinion polls, focus groups, interviews, questionnaires following events, etc	particular participation exercise is only one, but these indicators can give some clues.
	Has this initiative encouraged people to get involved again, because they think it worth while?	As above	
Active citizenship	Has this initiative encouraged people to engage in civic life (e.g. act as school governors etc)?	As above, plus feedback from schools etc	
Accountability	Has this initiative given people more information so they can hold the council accountable for decisions?	Interviews, questionnaires following events, etc	
SOCIAL COHESION			
ETC:			
Social cohesion	Has this initiative helped people from different backgrounds in the area to get on better together?	Questionnaires following events; interviews later, etc	Although these can be broad, long term changes in relations between government and citizens, there are indicators of change
	Has the initiative reached a cross-sector / representative sample of the local community?	Collecting data on the individuals involved, through questionnaires etc.	that can be used to provide useful feedback.
Social capital	Has this enabled people to make new contacts / join new networks beyond their usual relationships?	As above	
Social justice	Has this initiative helped increase equality of access to decision- making or services?	As above	

Figure 3, continued.

GOALS / PURPOSE	POSSIBLE INDICATORS	HOW TO GET DATA	IMPORTANT ASSUMPTIONS
QUALITY OF SERVICES / PROJECTS:			1133 6111 116118
Public service improvement	Has this initiative saved money by making public services more reflective of local needs, and not spending money on unwanted services?	Comparison of views expressed and changes made to policy and practice; via analysis of initiative reports and proposed changes.	It should not be expected that all proposals made in public engagement exercises will be taken on; although explanations of 'why not?' will be needed if they are not taken on.
Reduced management and maintenance costs	Can costs be saved by reducing vandalism because people feel protective / a sense of ownership and will look after things?	Collecting costs of maintenance of projects that used participatory methods, and comparing these with conventional project maintenance costs.	Maintenance / costs of damage may not be collected in any detail currently; but these costs could be significantly reduced through good public participation.
	Can the costs of damage to facilities be reduced because people use new facilities more effectively because they better understand what / who they are for as a result of involvement?	Collecting costs of damage to facilities caused by lack of knowledge / care.	As above.
Easier development of land and buildings, and other facilities	Has less time been taken up dealing with conflict over proposals for inappropriate development?	Collecting costs of dealing with conflict (e.g. time spent dealing with complaints, objections, campaigns etc).	Most of these costs will be staff time, levels of stress and sick leave etc, which may not normally be collected in this way.
	Has it been quicker to make decisions about development proposals?	As above	As above
Co-production of shared outcomes	Has this initiative saved costs by encouraging people to take more responsibility for their own good health / illness?	Examples of new community-led initiatives Feedback from patients and doctors	Cost savings will only ever be part of the real value of increased coproduction; but it will be useful to start collective evidence on this.

Figure 3, continued

GOALS / PURPOSE		HOW TO GET	IMPORTANT
	INDICATORS	DATA	ASSUMPTIONS
CAPACITY BUILDING / LEARNING			
Increased participant skills, abilities, confidence	Has the initiative encouraged participants to go on to do other projects with more confidence?	Interviews with participants later on in the process.	The growing confidence and skills of active citizens is understood to contribute to a stronger voluntary sector, and to stronger communities.
	Has the initiative led to people going on to formal training / gaining qualifications?	As above.	
Increased staff skills	Has the initiative enabled staff to run the next exercise without external consultants?	Collecting details of who is involved in running participatory exercises.	Using external people may also be a benefit (e.g. to reassure participants of independence etc).
Stronger communities	Has the initiative increased the strength of the voluntary and community sectors?	Interviews with people in the voluntary and community sectors after the event.	
Raised awareness	Do the participants have a better awareness / understanding of the issues involved as a result of the initiative?	Questionnaires and interviews with participants after the event.	The importance of participation as a learning experience can often be underestimated.

Figure 4. Some of the costs of participation

COSTS	POSSIBLE INDICATORS	HOW TO GET DATA	IMPORTANT ASSUMPTIONS
MONETARY COSTS: Staff time (paid)	Time spent (days / hours)	Time sheets linked to data on salaries, on- costs (NI, pension etc), etc	ASSUMITIONS
	Recruitment (if appropriate)	Advertising, interviewing, induction etc.	Some costs may be internal, and more difficult to identify.
Staff expenses	Travel, overnight stays, child care etc	Costs of expenses claimed	
External staff / consultants	Fees charged	Invoices	
Fees to participants	Amounts paid	Record of expenditure, receipts etc	
Expenses to participants	Travel, overnight stays, child care etc	Costs of expenses claimed	
Training (staff)	Costs of training courses	Invoices	
	Days taken for training	Time sheets	
Training (participants)	Costs of external trainers provided	Invoices	
	Costs of places on training courses	Invoices	
Administration	Costs of telephone calls, copying, postage etc	Records of all expenditure related to the project	
Venue hire	Costs of venue	Invoices	
Other event costs	Catering, recording equipment, AV equipment etc	Invoices	
Newsletters, leaflets etc	Time for writing, design, illustration Print costs Distribution costs	Time sheets / invoices for external support Invoices Time sheets / invoices	

Figure 4, continued

COSTS	POSSIBLE	HOW TO GET	IMPORTANT
MONETARY COSTS:	INDICATORS	DATA	ASSUMPTIONS
Monetaky Costs: Monitoring / evaluation	Time for designing and implementing the	Time sheets	
	evaluation process Print costs for feedback sheets etc	Invoices	
NON-MONETARY			
COSTS: Time contributed by participants	Days / hours spent in meetings, preparation, research, local consultations etc	Diaries kept by participants	The time given by participants is often under-valued, and planning often fails to take this contribution into account
Staff time (unpaid)	Unpaid overtime	Extended time sheets	
Skills needed for the new approach	Time taken to learn about participatory working, in addition to planning activities	Timesheets	It may be difficult to isolate time learning about participation from general 'learning on the job', but worth keeping in mind
Reputation	Could participatory working damage a reputation for leadership?	Public opinion polls, feedback from participants, etc	All risks can be assessed in terms of likelihood (how likely they are to happen), and importance.
	Could poor performance in participatory working affect other projects / programmes?	Public opinion polls, feedback from participants, etc	Both can be assessed in terms of high / medium / low risk.
	Could participatory working improve reputation for listening / responsiveness to local concerns?	As above	
Uncertainty	What impacts could less management have on the	Feedback from staff	
Stress	quality of the project?		
Conflict	Will participatory working increase / reduce stress?	Feedback from staff	
	Will participatory working increase / reduce conflict?	Review of impacts of participatory initiative; interviews etc.	

Health warning

The frameworks outlined above are designed only to prompt greater examination of the potential costs and benefits of participation than is currently normal practice. Thinking through the indicators and detailed rationale / purpose for a participatory initiative can be a very useful part of the planning, as well as helping to start the collection of data that can act as benchmarks for future monitoring.

However, there are various potential pitfalls which need to be addressed, including:

• Comparing apples and oranges. It is not possible easily to compare the monetary cost of a participation exercise with the intangible benefits that may result.

However, people do in fact look at the cost of something and decide if it is worthwhile for them in their situation every day, so it is quite possible to do. The aim of starting to develop the frameworks above is to start to provide some of the building blocks for making those comparisons - even if they are as impossible as actually comparing apples and oranges. Over time, it should be possible to begin to gain a wider shared understanding of the value of participation to all those involved by clarifying what is involved.

- Cost savings. The framework identifies some of the areas where costs could be saved by using participatory methods rather than conventional planning and management methods (see under Quality of services / projects reducing management and maintenance costs, less vandalism, less misuse, easier and quicker decisions etc). The framework does not yet cover other potential cost savings from doing *good* participation compared to not doing participation at all, or doing participation badly. This is an area for further development based on research comparing similar projects that have used different levels of participation and assessing the costs and savings that may result.
- **Evidence-based policy**. In spite of the rhetoric about evidence-based policy in government and other policy institutions, in practice policy decisions always balance evidence and political context (e.g. groundswell of public opinion, recent outrage, mood for or against cutting public expenditure).

However, even recognising the limitations of true evidence-based policy, it makes sense to begin to gather some evidence of the value of participation, to contribute to creating an appropriate political context for future policy decisions.

• Converting activities to impacts. Monitoring of participation has most often focused on the specific event - feedback sheets given to participants to fill in before they leave. But the interactive event, however big and glamorous - is only ever part of the participatory story. The context, what happens with the results of the discussion at the event, the changes in people's understanding and trust in institutions as a result of taking part - these are all important and are almost never considered.

Too often, participation is seen just as a set of activities and monitoring is focused on whether the activities went smoothly, or the leaflet was distributed to a certain number of people in specific social groups - but that is not enough. The value of participation will only be understood when the <u>impacts</u> of the exercise are fully considered, as well as the activities.

• The nature of social capital. Ever since Robert Putnam popularised the idea of social capital, it has been the holy grail of much participatory working. It is clearly a 'good thing' but there is a lot of confusion about what it really means in practice, and about how to 'measure' it. More particularly, social capital is a collective 'social good', but many of the measures tend to be focused on the individual experience of it.

We have attempted to get past the reduction of social capital to 'trust' or 'neighbourliness', mainly by looking at trust separately, and not getting into neighbourliness at all. This framework returns to Robert Putnam's ideas of networks and social contact under social capital, and deals with reciprocity through the idea of co-production of better quality services and facilities.

But there is a lot more to do to define and measure this elusive quality of social relationships that seems so important to strong and resilient communities.

• **Risk**. There are risks in any human interaction and not everyone has the experience to handle the difficulties that can arise in participatory working, especially given that the need for flexibility and responsiveness does not allow for rigid controls of these processes. All the benefits listed in Fig 3 are also qualities 'at risk' of bad participatory practice.

The frameworks in this document are designed to contribute to better practice, particularly by helping to achieve greater clarity about the goals of each specific participatory initiative.

• **Beyond economic valuation**. The Involve research has concluded, after extensive research, that traditional economic models are not appropriate in themselves for thinking about the value of participation. All the economic models we have examined, including the variations and extensions, require a level of reductionism that gives inadequate recognition to the richness and complexity of participatory practice.

This is not to say that numbers do not matter. They do. It will still make a difference whether 1000 or 10 people turn up to a public meeting, whether 5 or 500 people complete a questionnaire, or whether a public body consults a few people or tries to reach a much wider range of groups that may otherwise be excluded.

But the real value - and thus the 'true costs' - of participation remain located within a series of political and ethical dimensions that cannot be reduced to numbers alone.

The challenge is to find ways that respect the contribution to understanding that numbers can make, without making numbers the most important factor - and striving to find ways of describing the more qualitative impacts of participation that have practical meaning to everyone involved.

• **Involving participants**. The frameworks provided in this document provide some clues as to the 'contents' of research into the costs and benefits of participation, but 'how' that research is done can contribute to participatory practice - or may undermine it.

Ideally, participants will be invited to contribute to the formal setting of goals (and indicators of success) for any specific initiative. At the least, participants should be clearly informed about goals and indicators of success, and invited to comment on them.

Participants should also be invited to give feedback, and to comment on, conclusions from any participatory initiative (e.g. at a final closing event, or via other communications media later). They will be able to provide invaluable data (e.g. on their own input of time, and what they value about the exercise), so their contribution to the initiative can be assessed alongside other investment (and thus properly 'valued').

Involving participants in measuring the success of any participatory initiative can be made integral to the participatory process itself, so that principles of good participatory practice are followed - and so that the data collected is as complete as possible.

DW 22.11.05