

**Enabling PSL and value co-creation through  
public engagement:  
A study of municipal service regeneration**

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Authors' Accepted Manuscript 12-04-2023

**Public Management Review**

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**Abstract**

PSL shifted focus from collective to individual gains from public services. While beneficial, this comes short of achieving the promise of a comprehensive theory in several respects. We address this problem by: (a) crystallising the concept of ‘value’ on a spectrum from public to private value and (b) illustrating how engagement varies, too, on that spectrum. In investigating world applications of PSL, we draw on both qualitative and quantitative data, from both service designers and users. We advance knowledge through a public value enhanced PSL theory, and we guide municipalities to draw on engagement to realise value from services.

Keywords: value creation, PSL, engagement, regeneration

## Introduction

Public Service Logic (PSL) has captured our imagination, particularly concerning the notion of ‘value’, shifting our focus from public value to notions of ‘value’ which emphasise individual over collective gains from services. While this is a welcome development, offering citizens and communities a more central role in policymaking and service design and delivery, PSL prescriptions come short of achieving the promise of a comprehensive theory in several respects. First, they focus too much on private value at the expense of public value, which is arguably still the cornerstone of public sector management and administration. Secondly, they have been predominantly conceptual, which suggests significantly more ground needs to be covered on world applications of PSL.

The implication of the latter is evident: PSL is yet to be fully operationalised in research via qualitative and quantitative studies from various public service ecosystem actors. The implication of the former is that the user-centred approach taken to value co-creation has been dominant and unidirectional (i.e., individual users extract value, and only co-create it for their communities in as far as that could benefit themselves). This skews our understanding of ‘value’ and the public engagement sought in the pursuit of that value. Indeed, we have reached a point where scholars mean consistently different things by ‘value’ on the one hand, and by ‘engagement’, on the other. Take, for example, Hardyman and colleagues’ (2019) investigation of patient engagement for value co-creation, and Yuan and Gasco-Hernandez’s (2021) study of civic engagement for public value creation (e.g., substantive outcomes, democratic accountability, procedural legitimacy). It appears as if they hold parallel conversations: Hardyman, Kitchener, and Daunt’s (2019) focus is on private value creation, which they study through PSL lenses and from individual service users, whereas Yuan and Gasco-Hernandez’s (2021) ‘value’ is more aggregate in nature, much closer to ‘public value’ than the more individualised value type pursued through PSL (hence the authors collect data from service

providers). Might there be a correspondence between types of value (public vs private) and forms of engagement (selective engagement of specific service users vs wider public engagement)? No empirical study seems to bring these conversations together, although we note Petrescu's (2019) attempt to reconcile the literature on public and private value and Cui and Osborne's (2022) empirical investigation of both. However, these studies are conceptual (Petrescu 2019) and qualitative (Cui and Osborne 2022), which leaves space for other world applications of PSL through actors' participation and engagement in service value co-creation (the importance of which has also been noted by Osborne and Strokosch 2022).

In this paper, we explore world applications of PSL by asking: How does public engagement enable value creation? Our two research questions are: (a) what kind of value is associated with local public services? (b) how does engagement help deliver value for different services? We focus on municipal regeneration in the context of post-Covid recovery in London. We understand regeneration as an *'integrated vision and (...) which seeks to bring about a lasting improvement in the economic, physical, social and environmental conditions of an area'* (Roberts and Sykes 2000, cited in Dean, Trillo and Lee. 2022, p. 6). The regeneration context offers an opportunity to go beyond separate (often nationally organised) public services (e.g., health, social services, etc.) to more integrated municipal services.

Our main contribution is an extension of the PSL framework by reconceptualising value and engagement in value co-creation. While engagement has been seen on a spectrum before (e.g. IAPP 2018), we move value beyond its binary identification as either public or private, and link that with the spectrum of engagement against a fine-grained picture of service diversity. Our secondary contribution is an empirical extension of PSL to municipal services, which allows for an analysis of a range of services rather than any singular one, as well as the employment of a less-known instrument and a complex methodology that provides more angles of analysis than has been achieved before in the PSL literature.

Our paper starts with an account of where we are with PSL, particularly concerning two dominant themes: the notions of ‘value’ and ‘engagement’. Then, we describe the context of our two studies and the methods. We present the data from each of the two studies to keep the focus, first, on service designers and providers and then on service users. We discuss our findings in light of current PSL knowledge, drawing implications for theory and practice.

### **Public Service Logic**

Over the past two decades, service-dominant logic (Lusch and Vargo 2006) and, more recently, PSL (Osborne 2018), have refocused the attention of public service scholars from an internal view of organisations to value co-creation with external stakeholders (Rossi and Tuurnas 2021, Petrescu 2019, Osborne, Radnor, and Strokosch 2016). Within PSL, value is co-created (although not necessarily co-produced directly) with individual service consumers. In this process, there is some degree of uncertainty about the value consumers derive from the ‘service promise’ offered by service providers. Service users take note of organisations’ ‘value proposition’, but they combine that with ‘value in use’ (i.e., public services only make sense if they work in practice for the individual consumers) and ‘value in context’ (individual consumers decide on public services’ use and value through the lens of their context or previous experience) (Osborne 2018, Alford 2016).

With PSL theory attributing such a pivotal role to public service users in creating and delivering public services, public engagement becomes an essential contributor to value creation in services (Engen et al. 2021; Osborne and Strokosch 2022). This is unsurprising to co-production scholars who have, for years, described and explained how citizens’ contribution adds value to public services (Verschuere, Brandsen, and Pestoff 2012, Bovaird and Loeffler 2012). However, co-production appears to offer only a partial explanation for value co-creation (Lusch and Vargo 2006, Dudau, Glennon, and Verschuere 2019). Indeed, the latter is associated

with value generation from both direct and indirect interactions between organisations and users, while co-production occurs in service production (Lusch and Vargo 2006; Marcos-Cuevas et al. 2016) and therefore entails direct interaction *with* service users (Bovaird 2007). Public engagement, however, also allows for indirect interaction, so we ought to consider it in its own right, as going beyond co-production.

More recent work on PSL takes an ecosystems approach to value creation to account for all actors participating in the value co-creation process. In doing so, it provides a comprehensive view of the types of value created (Kinder et al. 2020; Engen et al. 2021) at the societal, public service, and individual levels (Osborne et al. 2022; Petrescu 2019; Rossi and Tuurnas 2021), where the service level requires the highest engagement of public service managers with stakeholders (Osborne et al. 2021).

However, PSL and public engagement studies of value primarily focused on citizen individual and private value, tending to overlook more aggregate types such as public value (also observed by Dudau, Glennon, and Verschuere 2019; Engen et al. 2021). Furthermore, the service-dominant logic literature (the theoretical base of PSL) has emphasised the importance of engagement in service networks and ecosystems and discussed it as a psychological and behavioural state (Brodie et al. 2011; Maslowska, Malthouse and Collinger 2016; Van Doorn et al. 2010), but how does it influence service value? The next section tackles these two main conundrums linked to the two main concepts are at the heart of the PSL theory: (1) engagement with the public and other stakeholders and (2) the notion of value as the aim of that engagement.

### ***Public and community engagement***

Rooted in participatory democracy theory (Pateman 2012) and drawing on earlier typologies of citizen participation in socially focused US federal programmes (Arnstein 1969), public engagement is a relationship between policy-makers and citizens that goes beyond

simple information exchange (Agostino and Arnaboldi 2016; Rowe and Frewer 2005, Stirbu 2022). Cavaye (2004, 3) refers to it as ‘mutual communication and deliberation that occurs between government and citizens’ and Stewart (2009), as ‘deliberate strategies for involving those outside government in the policy process’. While these definitions are built on different assumptions, there is little doubt about the legitimacy of engagement as a sound facilitator of decision-making (Rowe and Frewer 2000).

In its most simplified form, engagement is framed as being either unidirectional or bidirectional (Rowe and Frewer 2000). More recently, based on developments within participatory democratic spaces (Smith 2009), the relationship between citizens and the state has been captured in a typology (Table 1) according to the ability to affect change and influence decision-making (IAPP 2018; Ellery and Ellery 2019), ranging from information to collaboration and empowerment. Given that it entails a relationship and deliberate mutual communication with the citizens (as per Stewart’s 2009 and Carave’s 2004 definitions), engagement arguably sits at the latter end of this spectrum.

Table 1: The spectrum of public participation (adapted from IAPP 2018 and Katsonis 2019)

|                                   | <b>Inform</b>  | <b>Consult</b>   | <b>Involve</b>   | <b>Collaborate</b>  | <b>Empower</b>  |
|-----------------------------------|--|--|--|---|---|
| <b>Public Participation Goals</b> | To provide the public with balanced information to assist them in understanding the problem, alternatives, and solutions | To obtain public feedback on analysis, alternatives and/or decisions | To work directly with the public throughout the process to ensure their public concerns and aspirations are considered | To partner with the public in each aspect of the decision including the development of alternatives and the solution identification | To place final decision making in the hands of the public |

|                              |                           |  |   |   |                                   |
|------------------------------|---------------------------|--|---|---|-----------------------------------|
| <b>Promise to the Public</b> | We will keep you informed | We will keep you informed, listen to you and acknowledge concerns and aspirations, and provide feedback on how you influenced the decision | We will work with you to ensure that your concerns and aspirations are considered and provide feedback on how you influenced the decision | We will look to you for advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions | We will implement what you decide |
|------------------------------|---------------------------|--|---|---|-----------------------------------|

Whilst this typology helps understand how participation impacts decision-making, with each level increasing the opportunity for community members to do so (Ellery and Ellery 2019; Glackin and Dionisio 2016), we still know little about how participation contributes to service value (Osborne and Stokosch 2021).

In regeneration research, engagement with residents features prominently and is known as community engagement. This refers to *‘a variety of strategies designed to increase the involvement of residents in the planning and delivery of local regeneration strategies and projects’* (Bailey cited in Virani 2020, p. 1). It has been encouraged as a feature of regeneration processes that provides a contrasting perspective and understanding of needs, problems, ideas, and solutions to those of planners and policymakers, recognising that residents are a vital source of local know-how and are ‘experts’ on their communities in terms of how they navigate and use the built environment and the public realm. Community engagement is seen to increase residents’ ownership of regeneration plans which in turn facilitates the sustainability of implemented changes and programmes (Lawson and Kearns 2010).

However, public and community engagement concepts lack academic and practical clarity (also noted by Handyman et al. 2014). This has led to inconsistent approaches to engagement. Indeed, Marino and Lo Presti (2018) remark that: *“public engagement, community engagement, public involvement, public participation, community involvement,*

*outreach, citizen engagement and citizen participation are very often used as synonyms, even when they are used in different contexts”* (p. 282). Indeed, there seems to be a lack of overall precision around what ‘engagement’ is.

Attempts to clarify the concept of public engagement explored various topics, such as the different purposes of community engagement (see, for example, Bryson et al. 2013), the need to focus on the value creation approach to engagement (Manes-Rossi et al. 2021), its enablers, risks, barriers, and implications for value creation/destruction (Cui & Osborne 2022).

### ***Public and private value***

Early theoretical conceptualisations and debates on public value (Moore 1995; O’Flynn 2007) have evolved into PSL (Cui and Osborne 2022; Osborne 2018). While those early public value studies are concerned with community and societal level value, PSL scholars have focused on the private value of individual end-users.

Public value is widely defined as the value that public managers aim to produce that both meets the needs of individual citizens and is for the public good (Moore 1995; Yuan and Hernandez 2021; Crosby et al. 2017), with a focus on the latter: ‘what the public values are’ and ‘what adds value to the public sphere’ (Benington 2009). Benington’s definition of public value includes ecological, political, social, and cultural dimensions of value in the long-term that go beyond individual self-interests (Williams and Shearer 2011).

Meynhardt and Jasinenko (2020) also consider value as multi-dimensional: hedonistic-aesthetical, utilitarian-instrumental, political-social, and moral-ethical. The hedonistic-aesthetical dimension includes motivations to maximise pleasure, happiness, and relaxation, while the utilitarian-instrumental side incorporates the need to understand, predict and control the environment, aspirations for effectiveness, and financial or economic value. The political-social dimension relates to social identity, belonging, and group membership, while the moral-

ethical dimension is based on needs for self-worth and dignity, based on subjective moral and ethical standards, equality, and fairness. More recently, and this time from a PSL perspective, Osborne et al. (2022) have formulated a comprehensive framework on value for public services, emphasising its economic dimension as value-in-exchange (price), as well as four key value-added dimensions: value-in-production, value-in-use, value-in-context, and value-in-society. Yet, despite the growing discourse on the theory of public value, there is relatively little empirical evidence around it (Alford et al. 2017), notwithstanding some qualitative contributions from co-production scholars (Jaspers and Steen 2021).

The scarcity of empirical data may be because public value as an aggregate concept is less visible and more difficult to pinpoint than the value individuals derive from services. Cui and Osborne (2022) go some way toward showing public value when they empirically explore the broader impact of public services on society. However, the practical foundations of such explorations are far from stable: as public value is understood through changing citizens' perceptions of the public good (Meynhardt 2009), there is no single set of normative and universally applicable standards of public value (Alford and O'Flynn 2009).

While public value is experienced collectively by the general public and includes elements like care for the environment and help for the weak and vulnerable (Alford and Hughes 2008; Hartley et al. 2017; Moore 1995), private value is consumed individually by users. In the context of PSL, value is created in the service ecosystem through the interaction of its members not only as value-in-production (design and management) but also as value-in-use for individuals - experience (Lusch and Vargo 2014), as well as value-in-context (expectations) – embedded in individuals' social systems (Cui and Osborne 2022; Osborne, Nasi, and Powell 2021). In the provision of public services, private and public value are created at the level of the individual citizen as an end-user, stakeholder, volunteer, or even collective individual, such as the community, then at the societal level and, finally, collective value

accumulated at the public service ecosystem level (Osborne, Nasi, and Powell 2021). Moreover, especially considering that public services cover an extensive range, there is likely to be a whole spectrum of value created in public services, and the complexity and tension between public value and private value objectives in various public service ecosystems could lead to value destruction (Cui and Osborne 2022).

Understanding the distinctions and interactions between different conceptions of value is useful. The first one to review and compare the literature on both types of value extracted from services is Petrescu (2019) - see Appendix 1, with additional definitions and dimensions of value emphasised by Osborne et al. (2022). Cui and Osborne (2022) examined these public-private value distinctions empirically in four case studies and arrived at value intersections, joint spheres between public and private domains that could be positive (real value) or negative (value destruction). While the former is aspirational and the latter undesirable, both are ubiquitous, and the latter is by no means divergent -but rather 'normal'. This intriguing perspective implies the underlying assumption that value is what users make of a service, further emphasising the value of contextualisation against different service conditions.

### ***Unresolved aspects of engagement and value in PSL***

Two issues remain unresolved in PSL: the complex dimensions of value in public service ecosystems and the implementation of value co-creation processes through engagement. In terms of value dimensions, scholars recognise the complexity and multiplicity of public and private value in service ecosystems, considered at the micro, meso, and macro level, with individual, organisational, and societal benefits (Cui and Osborne 2022; Osborne et al. 2022; Petrescu 2019). However, despite useful typologies of value, there is an interdependency of multi-actor dynamics among the stakeholders of service ecosystems contributing to value co-creation (Leite and Hodgkinson 2021), which makes value more

challenging to disaggregate and understand from beneficiary, service user, citizen, or public service designers' perspectives (Osborne and Strokosch 2022).

In terms of enabling value co-creation through engagement and participatory processes, scholars have discussed a spectrum of collaborative and engaging actions, from public meetings to empowering communities, with varying results and calls for additional empirical studies on its processes and outcomes (Jo and Nabatchi 2021). Additionally, the degrees of engagement and collaborative governance in which actors work to manage public problems are still not well addressed in the context of PSL (Yoon et al. 2022). However, thanks to its multi-dimensional model of value co-creation, PSL has great potential to frame a holistic understanding of the role of engagement in public and private value co-creation at multiple levels of analysis, as well as with a short and long-term view on value co-creation (Skarli 2021; Strokosch and Osborne 2020a).

The concept of value also needs additional exploration in the context of PSL concerning how value propositions are formulated and adapted to the needs of the ecosystem (Røhnebæk et al. 2022), as well as how the framing of propositions relates to citizen engagement. Stakeholder participation and engagement in the public service ecosystem is a topic also emphasised by Osborne and Strokosch (2022), who underline the need for further empirical and theoretical analysis in a PSL theoretical framework. Therefore, we explore how public engagement contributes to value co-creation in the public service ecosystem, by focusing on service users (study 1) and service designers (study 2) in the same municipality, hence in relation to the same municipal services.

## Methods

### *Research setting*

London is our broad research setting. The ‘superdiversity’ of the city and its multiple complex socio-cultural compositions pose challenges and unique opportunities to engage local communities in the regeneration process. In the UK, regeneration was one of the earliest policy areas that saw an emphasis on community engagement following a stronger push towards communitarian approaches to public policy promoted under the New Labour government and continued, at least in discourse, by the localism and big society approach of following Conservative governments (see for example, Jarvis, Berkeley, and Broughton 2012; Lawson and Kearns 2010). Whilst departing from different premises, both approaches preached community and neighbourhood empowerment to foster liveable and sustainable local communities. At the same time, decades of neoliberal urban policy have propelled the effects of strong market forces on urban regeneration, posing a challenge and often tension for area-based regeneration projects (Virani 2020).

Currently, London faces the most challenging period in recent history due to the economic, health and social impacts of the Covid-19 pandemic. These impacts have been disproportionate for different communities, further exacerbating deeply seated inequalities. The London Recovery Plan outlines the city’s missions-based approach to post-Covid recovery (see Greater London Authority 2020a). As guiding principles, addressing social, economic, and health inequalities, delivering a cleaner, greener London, and involving London’s diverse communities through ongoing meaningful and authentic engagement to enable a strong civil society were identified as cutting across all of London’s recovery efforts. The recovery process is a chance to reimagine the city and foster a culture change so that shared goals can be met by pooling the expertise, resources, and efforts across multiple organisations and sectors.

### *Research design*

To answer our research questions, we have employed two multi-method, multi-stakeholder studies in Borough X in London: study 1 investigates both public and private value through the eyes of the residents and beneficiaries of the project (and of the services being redesigned through the project), and study 2 analyses public value through the lenses of the local government officials within the context of municipal regeneration efforts.

Our approach takes a multi-study approach to explore the complex issues relating to value co-creation through the engagement of local communities in post covid recovery. As such, we rely on the explanatory power of multi-faceted case approaches from two different perspectives on two elements in the ecosystem studies: 1) the local residents and 2) the local municipality. This is an innovative exploration of public service value and the engagement modes enacting it in practice. While each study uses different methods and focuses on a different part of the service ecosystem, their explanatory power is amplified in combination and speaks to the overall aim of this research.

### *Study 1*

We collected quantitative and qualitative survey data from respondents living or working in Borough X, at the beginning of 2022 through a heterogeneous Qualtrics panel of 163 respondents. The purpose of the survey was to examine public and private value and value co-creation practices (through engagement or lack thereof) from the perspective of the Borough X community. Our survey included multi-item measurement scales (see Appendix 2) adapted from established measures for citizen engagement (Doolittle and Faul 2013), citizenship behaviour (Yi and Gong 2013), value-in-use (Verleye 2015), and public value (Meynhardt and Jasinenko 2020). The citizen engagement and behaviour scales were used to denote engagement; value-in-use was used for individual-level (private) value, whereas Meynhardt's

and Jasinenko's (2020) scale was used for public value. The survey also incorporated demographic questions, attention filters, and location checks to ensure data quality<sup>1</sup>. We also included four qualitative exploratory questions about the value received vs value provided through engagement with the council: (a) What has the impact of council-led area development been on your community? (b) What is the value you get from engaging with the work of Borough X Council services related to area and economic development? (c) What is the value you provide in your engagement with the work of Borough X Council services related to area and economic development? (d) Which initiatives coming from Borough X Council could help you get more engaged in the local activities related to area and economic development?

We performed data quality checks on the final sample of respondents after eliminating respondents that failed attention-filters and data quality checks, including location requirements for Borough X as people who live and work there. The preliminary data check also included an overview of descriptive statistics and an exploratory factor analysis to evaluate our multi-item measures. For further analysis, we calculated the summative scores for each measure based on Likert items, and then calculated the z-scores for further analysis. We also split the data into three major groups of respondents based on their levels of citizen engagement (33.6 and 69.9 percentile), including 50 people with low levels of engagement, 51 at the medium level, and 62 with high engagement.

We performed a fuzzy-set qualitative comparative analysis (fsQCA). This helped us evaluate causal complexity and association between variables<sup>2</sup> (Klijn, Nederhand, and Stevens 2022). It helped refine the concepts associated with value by assessing multiple paths or combinations of factors related to value creation. This analysis is based on Boolean-algebra

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<sup>1</sup> Data quality checks asked questions related to the location of the respondents and their way of transportation, to eliminate inhabitants of other countries using VPN to respond. The quality checks for the full sample helped us reduce the number of complete and incomplete responses, including those who failed these quality checks, from 1303 initial response attempts received by Qualtrics, to 165 respondents confirmed from Borough X, the target sample agreed with Qualtrics, to the final quality-checked dataset of 163.

<sup>2</sup> yet 'variables' are turned into 'conditions' in fQCA (Ragin 2000)

and evaluates specific combinations of causal conditions associated with an outcome (engagement) rather than a single condition (Pappas and Woodside 2021).

We then analysed the answers received to the four open-ended questions through Leximancer. This is a semantic deep-learning analysis tool designed to further understand conceptual themes and concepts as a series of associations and links (Krishen, Berezan, and Raab 2019; Petrescu et al. 2018; Smith and Humphreys 2006). The exploratory unsupervised semantic analysis done through Leximancer included two phases. First, we compared the main themes of discussion as a function of current individual levels of community engagement, as reflected by the three groups of respondents. Then, we compared responses related to the value received from their engagement (first two qualitative questions) with the value provided to the community (last two qualitative questions). This analysis, alongside fQCA, helped us answer both of our research questions on the kind of value promised and realised in public services and on how engagement contributes to value creation. The qualitative data from the surveys also allowed us to place municipal services on a spectrum depending on the links to value and to engage, established from the analysis of the open-ended questions).

### *Study 2*

Study 2 draws on a two-year research and knowledge exchange programme involving policymakers and one academic institution, examining community engagement's value to public value creation. The research programme was guided by practical policy implementation questions about how local municipalities in London translate the London Recovery Plan's aspirations in practice in local contexts. Concerning Borough X (one of the programme participants), we engaged with policymakers over the course of 12 months to co-design more specific research questions, collect and analyse data, exchange preliminary findings, and facilitate the internal deliberation and reflection of institutional actors.

We used a mixed qualitative methodology consisting of documentary research, semi-structured interviews with strategic actors, and deliberative, collaborative workshops with both operational and senior management staff. We examined the London Recovery Plan (2020), the Greater London Authority (2018) strategy for social integration, local recovery plans (at borough level), local community (engagement, wealth building, resilience) strategies, and reports of resident engagement initiatives. This analysis allowed us to clearly and accurately describe the study context, as well as to interpret our qualitative findings from interviews and workshops. We conducted seven in-depth semi-structured interviews with relevant senior managers (*service providers*) in December 2021 and January 2022, which explored institutional actors' understandings of community engagement (role, value, enablers, and barriers) and perceptions of the role local communities play in regeneration and recovery. Finally, we ran two deliberative collaborative workshops which offered an opportunity to [more] participants (23) to reflect and develop their thinking as a team with regards to (1) the value of community engagement in tackling strategic issues in the borough, and (2) operationalising meaningful and effective forms of engagement with local residents. We analysed the data thematically (Braun and Clarke 2006) in two stages: first, interpreting text as evidence and then as narrative, paying particular attention to how people talked about engagement and value from municipal services.

### **Analysis and findings**

We explored individual and institutional narratives because of their interdependence and their role in shaping individual and collective action. By evaluating individual narratives and the collective deliberation of community engagement's contribution to public value, we were able to expose the dynamics that support the mediation and translation of meaning and

purpose across organisational levels of management and operation. In this section, we outline these findings, prefaced by the context of our London Borough.

### *Context*

Borough X is one of the most culturally diverse and densely populated boroughs in London, with a significant proportion of residents identifying themselves as non-British white or non-white, and a significant proportion being tenants of social landlords. In the past 30 years, the area has sustained significant transformations in terms of the built environment and the public infrastructure. The impact of these transformations is mixed. First, the interventions in the built environment over the past three decades led to an erosion of black spaces and of some old and traditional social infrastructure supporting its diverse communities. While several improvements in the transport infrastructure and the quality of council services have increased the attractiveness of the area, these have given way to raising property prices, thus creating tension between old vs incoming communities and highlighting some threats of gentrification (as urban regeneration that neglects the social integration and cohesion aspect of development). The effect of that is a more economically and culturally polarised community than ever before.

At the organisational level, the Council has traditionally been a service quality driven organisation, yet over the previous decade, their focus has gradually shifted from service improvement to integrating community voice into community outcomes. Indeed, one local policy-maker reflects on how things used to be and used to get done in Borough X:

*...the focus really [10 years ago] wasn't so much about the community voice, you didn't really need the community to tell you they want you to pick the bins up. It was about fundamentally getting those basics right. (Interviewee 7)*

At the same time, their more recent strategy document has been developed with local residents and organisations over three years and speaks of

*...a renewal of our commitment to continue to build on the excellent local partnership work here in Borough X and to work collaboratively to tackle the big, seemingly intractable issues we face as well as make the most of the many opportunities that have arisen over the past decade (Borough X 2018).*

As resident voice is increasingly considered by the Council, in their municipal regeneration work, we turned to service users to ascertain what matters to them.

### ***Study 1: Focus on the users***

#### *Semantic analysis of value as perceived by service users*

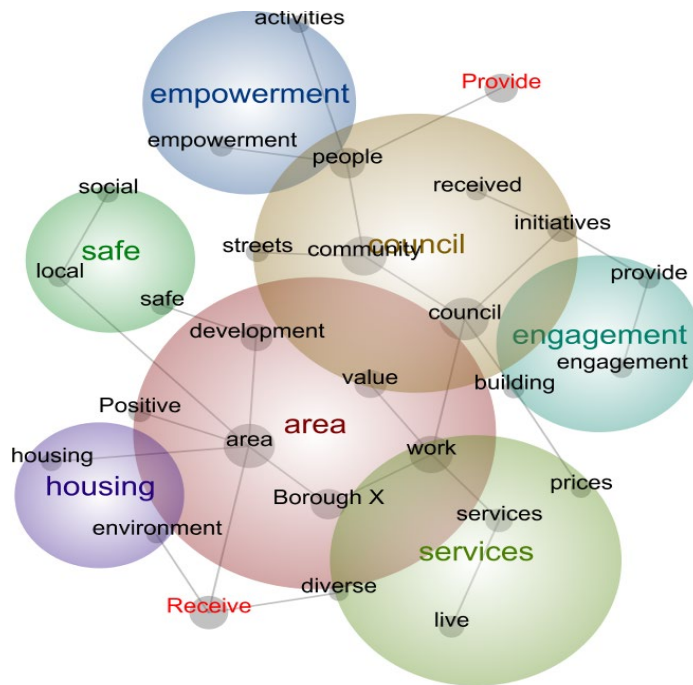
The first step of our analysis was an exploratory unsupervised semantic analysis of the qualitative data from the four open-ended survey questions with Leximancer. The main themes and concepts are reflected in the conceptual map in Figures 1 and 2, based on our comparative semantic analysis. Figure 1 shows the value individuals extract from municipal services as a function of their level of engagement with the local council and community. While respondents who are more engaged with public authorities are focused on their community, business development, and community openness, citizens less involved in the public affairs of the borough are concerned with affordability and housing issues, showing a spectrum of public value as a function of interaction with the public ecosystem.

Figure 1: Engagement level-based value



The differences in issue salience for residents in their relation to the local authorities are also clear from our analysis of the overall context of the citizens, their role and their place concerning the public service ecosystem (Figure 2), comparing perceived value received from their engagement with the value provided by residents to the community

**Figure 2:** Service users' perspective of value received and value provided



Respondents emphasised areas they see as important when they play the role of the value receiver, including housing prices and quality, building codes, the environment, streets, safety, and overall community development. Some of these themes, including community development, are also essential to getting involved and offering value to the community. Respondents engaging in the value co-creation process are more focused on contextual aspects in their lives and their community, the actions of others in the service ecosystem, and the need for collaborative initiatives from the local authorities. Mentions of value seem to evolve on a spectrum as a function of the role played by the citizen: on one extreme, we had citizens referring to *providing* value through engagement which can be seen in community empowerment and development (public value), while on the other extreme, we had citizens *receiving* value, such as individual benefits (private value) from housing services.

The next section of our findings connects the two: value (both public and private value types), on the one hand, and engagement, on the other hand.

*FSQCA analysis of the association between value and engagement*

Next, we performed a fuzzy-set qualitative comparative analysis (fsQCA) to refine the concept of value by assessing multiple paths or combinations of factors related to value creation. We evaluated combinations of causal conditions incorporating different levels and elements of public value to identify the most effective situations of value co-creation in which citizen engagement occurs. We first built a truth table using the fsQCA3 software to do so. In our analysis, to evaluate whether a specific condition or configuration is necessary or sufficient, we focused on two main parameters: consistency and coverage<sup>3</sup>. We performed a necessary conditions analysis<sup>4</sup> to produce consistency and coverage scores for individual conditions and external vs internal conditions that interest us. In this analysis, a necessary condition is a critical factor for the outcome, assuming that if the condition is not in place, the outcome will not happen. As no absolute necessary conditions need to be present for engagement to occur, we analysed the possible combinations of factors that represent breeding grounds for engagement.

**Table 2.** fsQCA intermediate solutions

|                                 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---------------------------------|---|---|---|---|---|---|---|
| <b>Citizenship Behaviour</b>    | ● | ⊕ | ⊕ | ● | ● | ⊕ | ⊕ |
| <b>Value-in-Use</b>             |   | ● | ● | ● |   | ⊕ | ⊕ |
| <b>Public Value Hedonic</b>     | ⊕ | ● | ● | ● | ● | ● | ⊕ |
| <b>Public Value Utilitarian</b> | ⊕ | ● |   |   | ● | ⊕ | ⊕ |
| <b>Public Value Political</b>   | ⊕ |   | ● | ● | ● | ⊕ | ● |
| <b>Public Value Moral</b>       | ⊕ | ● | ● | ● | ● | ⊕ | ⊕ |

<sup>3</sup> Consistency reflects the extent to which a condition consistently leads to the same outcome, the percentage of cases with a certain configuration that demonstrate the outcome, while coverage measures the extent to which cases show the particular condition (Cepiku et al. 2021; Molenveld et al. 2021).

<sup>4</sup> For the necessary conditions analysis (shown in Appendix 3), no condition exceeds the normally accepted 0.9 consistency threshold (Casady 2021; Cepiku et al. 2021; Cristofoli et al. 2021; Ragin 2000).

|                     |     |     |     |     |     |     |     |
|---------------------|-----|-----|-----|-----|-----|-----|-----|
| Coverage            | .27 | .24 | .23 | .50 | .49 | .19 | .18 |
| Raw Unique Coverage | .08 | .00 | .01 | .02 | .02 | .02 | .02 |
| Consistency         | .82 | .86 | .87 | .93 | .94 | .80 | .83 |

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DV: citizen engagement; solution coverage: 0.73; solution consistency: 0.82; frequency cutoff: 1; consistency cutoff: 0.80

⊕ - condition absent, ● - condition present, blank – irrelevant

The results presented in Table 2 show the configurations of sufficient conditions that influence the engagement spectrum. The conditions with consistency values of at least 0.8 and good coverage of at least 0.25 are seen to impact significantly on engagement, our outcome<sup>5</sup>. The results show complex configurations of conditions for citizen engagement that are not reflected in classical, correlation-based analyses. Table 2 shows the most significant seven configurations (solutions) explaining the outcome of engagement, including a combination of elements related to citizenship behaviour, value-in-use, and four types of public value reflecting the context of the respondent.

The findings of the fsQCA unveil the importance of context for engagement as related to the value provided and extracted by participants in the value co-creation process. Citizenship behaviour appears to be an essential element in individual engagement, as shown by Solutions 1, 4, and 5 in Table 2, which can even counteract the lack of private and public value. Citizenship behaviour is a sufficient condition for individual engagement and can counteract the lack of public value (see Solution 1, Table 2). This means that citizens with high citizenship characteristics can not only overcome potential negative attitudes towards a current lack of public value but are also likely to get involved with the public ecosystem to solve this issue. Nevertheless, residents who also find more significant levels of value on the private and public continuum are more motivated to get involved in public services and communities.

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<sup>5</sup> According to Casady 2021; Cristofoli et al. 2021.

Therefore, citizenship behaviour emerges as a frontrunner condition encouraging individual engagement with public services, even when public value is not perceived. Similarly, lack of citizenship behaviour can be compensated by strong levels of public value, as shown in solutions 2 and 3, in at least three of the four categories of public value analysed. The least significant value perceptions in predicting engagement are ‘value in use’ and the ‘utilitarian’ element of public value. The complementarity between individual, private value (as ‘value in use’) and public value (its utilitarian-instrumental element) allows us to make an argument that the two value types are not entirely opposite and distinct and can be placed on a value spectrum.

### *Study 2: Focus on service designers*

#### *Meaning and practice of engagement*

The way in which institutional actors understand and attach meaning to the concept of community engagement varies across the organisation and levels of management in Borough X. We found a wide-ranging spectrum of meaning varying from engagement as ‘*listening to community and individual concerns*’ (unidirectional), to holding big conversations with residents (bi-directional), or mediating the relationship with communities or groups (multi-directional). Our municipality officials recognised the value of all types of communication and involvement: the one-way ‘broadcasting mode’, the two-way ‘broadcasting and listening mode’, and the more deliberative ‘establishing a dialogue’ mode. However, our analysis reveals that the third mode is the least prevalent in their understanding of the concept.

Additionally, within our regeneration context, public service designers go beyond describing engagement, to also outline its impact on the area:

*I think the best engagement [...] is really just getting to know your area; it's the informal conversations you have with people that you know, the people that you've developed a relationship with because you work in the area and they're also a resident or a business*

*and just through those really often very rewarding and productive conversations and relationships. (Interviewee 3)*

This quote reveals the relational aspect of engagement (resident to resident, or within the service ecosystem, rather than resident to municipality). One participant mentions the notions of ‘thick’ and ‘thin’ participation, and to the infrastructures supporting participation:

*...for there to be that kind of trust and people not to get fatigued, I think councils have got to invest in long term relationships. [...] I guess in anthropological terms, you’d call it a thick relationship rather than a thin relationship. So rather than just kind of turning a tap on when we want something, which is a kind of then transactional relationship. (Interviewee 5)*

Indeed, relationships, hence the investment required to maintain them, can be of various intensity. ‘Transactional’ could be seen either in contrast with ‘thick’ relationships or as an example of a ‘thin’ type. It is clear from the interviews that the aspirations at the strategic level are to move the organisation towards a more empowering and power-sharing model of participation when it comes to the relationship with residents:

*[...] by meaningful engagement, I mean, stuff, as community panels, again, moving up on that ladder, away from just consultation, but also, co-design, even co-production and empowering citizens through potentially co-decision (Interviewee 3).*

Triangulating the data from our interviews, workshops, and documentary analysis of seven active strategies of the organisation (from where we extracted strategic commitments to engagement), we were able to map the narratives about status-quo versus aspirations and along IAPP (2018) public participation spectrum. We found that, when it comes to engaging with residents, Council X positions itself on the ‘consultation – involvement’ range in practice and operations, and on the ‘collaboration – empowerment’ range in strategic aspiration, as illustrated in table 3.

Table 3: Council - Residents engagement patterns

| Inform  | Consult | Involve | Collaborate   | Empower |
|---|---------|---------|---|---------|
| <i>Where Borough X is currently</i>   |         |         | <i>Where Borough X wishes to be</i>   |         |
| <ul style="list-style-type: none"> <li>● Broad conversations (borough wide)</li> <li>● Area-based conversations</li> <li>● Thematic consultations</li> <li>● Statutory consultations</li> <li>● Service based collaborative exercises (i.e., citizen panels)</li> </ul> |         |         | <ul style="list-style-type: none"> <li>● Power sharing (co-governance)</li> <li>● Co-design and co-production embedded through services</li> <li>● Empowering communities</li> <li>● Trauma informed and anti-oppressive practice relational engagement with communities</li> </ul> |         |

These aspirations, however, were not shared unanimously by participants, and the notion of power sharing was challenged on two bases: power-sharing sitting at odds with representative democracy, and power-sharing potentially perpetuating the underrepresentation of marginalised or seldom heard groups. One participant’s reflection brings to light these tensions:

*I am always really nervous about anything that puts too much power in the hands of unelected individuals because we're politically accountable in a democratically elected leadership in our organisation. We have people who are elected by the people of Borough X to do their business for them. If you end up creating structures which are essentially run by volunteers, you end up with a bunch of people who have (...) no real accountability other than the fact that they've got time on their hands. And if you put too much power into the hands of those people, and I think anyone who ever saw how, for example, tenants’ movements ran in the 90s and the noughties, you'd end up with basically entire estate improvement budgets being spent on hanging baskets because all the people involved in the participatory budgeting were over 65, you know? (Interviewee 7)*

Therefore, service designers distinguish between surface and meaningful engagement, the latter embedding inclusivity, reaching out to those unheard, supporting decision-making processes, and increasing people’s level of trust in the council. At the same time, epistemic tensions between representative and participatory democracy shape the debate internally - aspirations for meaningful citizen participation and community empowerment must address significant questions concerning public accountability and inclusivity.

### *Value of engagement*

Service designers share convergent views around the public value potential of municipal services employed as part of Borough X regeneration agenda (e.g. Borough X, 2018), around the value of community engagement (value for policy and decision-making being perhaps the area where there is most consensus), as well as around how they position themselves in the process of engagement (understood mostly as a meaningful consultation and involvement with residents - a relational process). However, as we have seen above, there are points of divergence, especially as we move along the spectrum of participation towards collaborative and empowering practice, as both the value and feasibility of community engagement are being questioned on grounds of tensions with representative democracy, as well as the cost of engagement for both the council and the residents. The perceived public value of engagement (for decision-makers) rests mainly in its potential to inform decision-making (offering insights) for the council, and offer a therapeutic value to residents. In Appendix 4, we sum up the narratives around the value of engagement across three dimensions of the value creation ecosystem: value to the council, perceived value to residents and perceived value to developers.

Mapped against various understandings of public value, the narratives we encountered (see Appendix 4) reveal that the value councils and residents may extract from participatory processes is multi-faceted, ranging from more targeted definitions of public value (understood as public goods -i.e., public space, improvements in the built environment etc -, interests and benefits (i.e., efforts towards social integration -tackling inequalities, fostering relationships and enhancing social participation), to more expansive, yet more abstract, views on public value, including outcomes, contributions to the public sphere, improvements in the system's wellbeing (in our case local democracy and citizenry). From the council's perspective, the

contribution community engagement exercises bring to enhancing the evidence base is extremely important.

Institutional actors also recognised the contribution of community engagement to private value for the various actors of the public service ecosystem: a therapeutic value of feeling heard, feeling listened to. Whilst this may be interpreted as paternalistic, as a method of hindering voice and the ability to express that voice at individual and collective level, it is an essential tenet of democracy. Nonetheless, we also uncovered narratives that challenged the overstated value of engagement and participatory exercises to citizens, especially as one moves up the ladder towards more collaborative ways of working, empowerment, and power-sharing.

*There aren't enough evenings in the week to run a proper participatory democracy, so why aren't we strengthening our representative democracy? [...] Not all residents want to engage with us in a participatory manner. [...] There will always be that tension between representative democracy and participatory democracy (Workshop participant)*

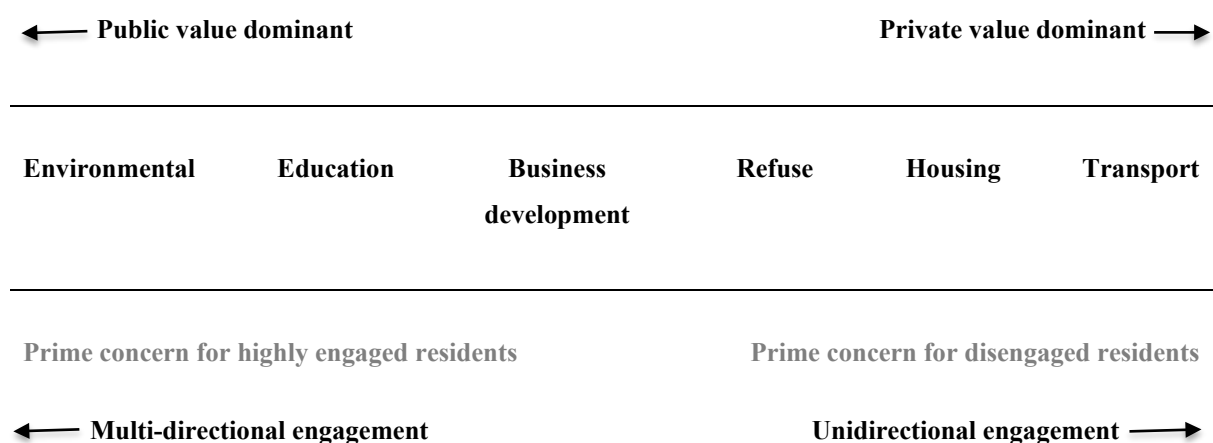
Indeed, our findings from Study 1 would confirm that issue salience for high-engagement and low-engagement citizens differs substantially, which validates this service designer's perspective: public value appears to be pursued through high engagement from citizens (see Figure 1) who talk more at length about value they themselves provide through engagement (Figure 2), private value does not seem to require the same kind of 'thick' participation and seems more associated with value extracted by individuals from services which impact them directly, such as housing and refuse. It is private value (mainly of a financial nature) which is also said to be pursued by other stakeholders other than citizens, such as developers (see Appendix 4).

## Discussion of findings

Our findings led us to two main answers to our research questions: (1) value is ‘continuous’ between public and private, and not of two types, either public or private; and (2) value is co-created through specific engagement modes which offer intrinsic value.

In terms of value, Study 1 suggests a range of types of ‘public’ and ‘private’ values (see Figure 2). Furthermore, our fsQCA analysis (see solutions 4 and 5 in table 2) illustrates an overlap of meanings attributed by residents to public value (its ‘utilitarian and instrumental’ type) and private value (as value-in-use). This tells of a space where the two value ‘manifestations’ are not distinct but co-exist, or gradually turn from one into the other. In this sense, we depart from Osborne’s and colleagues’ (2022) claim that these value types are distinct categories and rather suggest that there is a spectrum between ‘value in society’ (as *public value*) and ‘value in use’ and ‘value in context’ (as *private value* - normally covered in current PSL framings). We illustrate this spectrum marked by divergent value dominance in Figure 3.

Figure 3: Spectrum of value and engagement in municipal service ecosystem



If we are to employ this finding in the public service ecosystem described by Osborne and colleagues (Osborne et al. 2022), we argue that the ‘atmosphere’ of the public service ecosystem (Osborne et al. 2022) is not the ‘public value’ but a *value spectrum* where value

dominance differs with to the service and which could be seen predominantly as *public value* for services such as education and predominantly as *private value* for housing services. This finding was derived from Study 1, but Study 2 appears to support it - see the overlap of public and private value seen by service designers and providers shown in Appendix 4.

The spectrum comes close to that of Laing (2003) but concerns municipal services rather than services designed nationally (e.g. health, taxation, criminal justice) and adds patterns of engagement, as well as issue salience for municipal residents. From study 1, we discerned that engagement differed with issue salience and value, and that there were different types of engagement among Borough X's local residents. What study 2 allowed us to see is a whole spectrum of engagement (see table 3), with the 'thicker' engagement to the left of the diagram and 'thinner' engagement patterns to the right. The contrast between the two was captured by one of the service designers we interviewed and corresponds to the terminology also used by Nabatchi and Leighninger (2015), where the former takes longer time and resources to enable than the other. That the spectrum of engagement mirrors a spectrum of value was suggested primarily by our findings from study 1 (the fQCA component of it), both in the partial overlap of public and private value and in the association between engagement and the value pursued through that engagement.

Our research of municipal services as part of local regeneration efforts served as a unique vantage point from which to get this perspective, not over one service, but over a whole range of service types. Our second main finding is also presented in Figure 3: not only is value fluid, on a spectrum, rather than dyadic (either public or private) but there also seems to be a correspondence between value dominance in a service and community engagement levels and practices. This clarifies why Yuan and Gasco-Hernandez (2021) studied civic engagement and public value creation, while Hardyman, Kitchener and Daunt (2019) studied private value in use and in context. It is because the services they examined were different, and value

dominance was public for Yuan and Gasco-Hernandez and private for Hardyman and colleagues (2019). Both Study 1 and Study 2 in this paper emphasise value as a fuzzy concept that depends not only on the subjective evaluation of each stakeholder but also on its individual and collective context, unveiling a value level bound not only to the user but also to the characteristics of the overall public service ecosystem (Osborne et al. 2022). These findings show that the formulation of value propositions, then their transformation into valuable outcomes through the co-creation process, are moderated by different levels and combinations of community engagement and citizenship, with results impacting all layers of the service ecosystem, the institutional, service, individual, and beliefs (Osborne, Powell, Cui, and Strokosch 2022). These insights complete the theoretical framework of PSL and can also guide the aims and methodological choices for future empirical investigations of value and/or participation and engagement.

Both of these conclusions are echoed by conceptual and qualitative empirical work on the contribution of co-production to public value (Bovaird and Loeffler 2012, Jaspers and Steen 2021). We add to this body of work the breadth of context in value creation in municipal services, encompassing several services with different ‘publicness’ levels, hence presenting the opportunity for theorising beyond public value and beyond the direct interaction characteristic of co-production.

A less expected finding of our research is that ‘engagement’ is not only ‘for’ (in pursuit of) value but also ‘of’ value. That is, there is inherent value in it, which also ranges from public to private value (see Appendix 4). For example, unidirectional engagement offers value to individual service users, whereas multi-directional engagement serves the wider public. This adds further depth to our second research question, as we argue that engagement helps deliver value through specific public services and engagement itself. This, too, it is suggested, needs to be different for different services, as Figure 3 illustrates.

## Conclusion

To explore world applications of PSL and improve the practice of value co-creation, we followed in Cui and Osborne's (2002) footsteps and investigated service use while also considering the different levels of value propositions and outcomes in the public service ecosystem (Osborne et al. 2022). In doing so, we continued the case study tradition in this field but in a novel service area - municipal regeneration services. These represent a service category (including environmental services, education, housing, waste collection, parks, street lighting, transport, and business development) rather than one specific service and encapsulate many public benefit dominant services (in Laing's (2003) public service spectrum), which contributes to the empirical findings from more private-benefit services of healthcare and elderly care, from which most PSL empirical data emerged to date.

Our two-dimensional question, 'how does public engagement enable value creation', received a nuanced response, as we showed a spectrum of value enabled by a spectrum of corresponding engagement levels according to service type (Figure 3), and not only contributing to service value but being of value itself. These findings open the door for both theoretical and practical ways forward.

Beyond answering our research question and contributing to theory in ways outlined in our Discussion section, an essential contribution of our research is methodological. To start with, we examined perceptions of value co-created by residents not just for themselves (as much of the PSL literature considers) but for others -see 'value received' vs 'value provided' (Figure 2). Then, the instrument we used entails several scales which spoke to both public (public value, citizenship behaviour) and private value (value-in-use, instrumental value), including the overlap between the two (in instrumental value). This instrument, or a modified version of it, could be helpful in further PSL-driven empirical studies. Future studies could

develop multi-dimensional PSL scales in this respect. While this may be a new research pathway, it is on a known trajectory: in his seminal 2018 article outlining the PSL theory, Osborne helpfully identified the idiosyncrasies of Lusch and Vargo's (2014) service-dominant logic for the public sector. It follows, then, that any PSL scales would need to incorporate both public and private value, and those could be employed at any level of the service ecosystem (service providers, service users, other beneficiaries and stakeholders, e.g., developers). This also makes sense given that PSL is a public sector import of a marketing theory and therefore ought to embrace the quintessential public sector feature, which is public value -the 'oxygen', arguably, in the 'atmosphere' of public service ecosystems (Osborne et al. 2022).

With methodological innovation come certain limitations. Indeed, we recognise the inherent limitations of method integration, both across the two studies (quantitative and qualitative), but also within each study (see Lieber 2009). The common feature in both is Borough X, where we approached both service designers and service users, to ensure that the context and the services involved were the same for both studies and in the same timeframe (post-Covid municipal regeneration). Furthermore, whilst we rely on the explanatory power of a multi-faceted case approach exploring two dimensions of a complex eco-system of stakeholders within the context of value creation in the public sector, we cannot claim generalizability for the whole eco-system as other important perspective are missing from our data: politicians and the business sector for instance. This is not unusual in service ecosystem studies and indeed, so far, an unresolved challenge in our field (see also Leite and Hodgkinson 2021, Strokosch and Osborne 2020b).

Alongside our theoretical and methodological contributions, we also contribute to practice. An example of this, at a micro-level, is the Local Government Association's (LGA) observation that community engagement during the pandemic increased trust in local authorities (while trust in other institutions continues to decline). This opens a window of

opportunity for local authorities to capitalise on this revitalised relationship (see LGA 2021). To be better able to do so, a robust understanding of and critical inquiry into the future of community engagement is welcome and informative. At different times of the electoral cycle and for different services, the engagement sought and designed into services can vary for different value co-creation purposes. Our spectrum of municipal services (Figure 3) can be a valuable guide in this respect. This can speak to broader social integration strategies bringing about social change (Greater London Authority 2018).

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## APPENDICES

### Appendix 1: Value dimensions in public services

| <b>Value-in-production</b>   |  |
|--|--|
| Public value is “consumed” collectively by the citizenry rather than individually by clients   | Moore (1995)                                       |
| “Meeting pre-established PV criteria”  | Bozeman (2007)                                     |
| “What the public values”   | Talbot (2009)                                      |
| Adding “value to the public sphere”  | Benington (2011)                                   |
| <b>Value-in-use</b>  |  |
| Value creation is a process through which the user becomes better off in some respect  | Grönroos (2008)                                    |
| Value-in-use is the customer's experiential evaluation of the service proposition beyond its functional attributes and in accordance with individual motivation, competencies, actions, processes, and performances  | Edvardsson et al. (2010)                           |
| Public value entails outputs and outcomes, an impact and a meaning for the recipients of the value   | Alford and O'Flynn (2009), Alford and Yates (2014) |
| Value is the relative worth that a society confers on an object or practice  | Arvidsson (2011)                                   |
| Public value depends on citizens' input and on the ability to reach a consensus  | Williams, Kang, and Johnson (2016)                 |
| <b>Value-in-context</b>  |  |
| Value is an improvement in system well-being and is fundamentally derived and determined in use – the integration and application of resources in a specific context – rather than in exchange – embedded in firm output and captured by price   | Vargo, Maglio, and Akaka (2008)                    |
| Value is always phenomenological and subjectively determined by the customer   | Akaka and Schau (2019)                             |
| Value-added derived from public service impacts on a service user, in the context of their life experiences or expectations  | Osborne et al. (2022)                              |
| <b>Value-in-society</b>  |  |
| Private value is consumed individually by users, while public value is received collectively by the citizenry, based on the needs and wants of the collective citizenry  | Alford and Hughes (2008)                           |
| Value is a systemic property (an order parameter) that emerges from micro–macro links in service ecosystems, simultaneously an individual and collective phenomenon  | Meynhardt, Chandler, and Strathoff (2016)          |
| Public value is a contribution to the public sphere, the addition of value through actions in an organisational or partnership setting, and the heuristic framework of the strategic triangle (the public value proposition, the authorising environment and operational resources for public value) | Hartley et al. (2017)                              |
| Value-added derived from how a public service enables the expression and/or fulfilment of public/democratic values, the provision of public goods, and/or the indirect impacts of the service upon society   | Osborne et al. (2022)                              |

## Appendix 2: Study 1 scales

| Items   | PCA   | Cronbach's alpha |
|---|-------|------------------|
| <b>Engagement</b>   |       |                  |
| Working with others, I make positive changes in the area development of the community                                   | 0.709 |                  |
| I help members of my community  | 0.852 |                  |
| I stay informed of events in my community   | 0.701 |                  |
| I participate in discussions that raise issues related to the development of our area                                   | 0.693 |                  |
|   |       | <b>0.771</b>     |
| <b>Citizenship behavior</b>   |       |                  |
| If I have a useful idea on how to improve a Borough X council service, I let an employee know                           | 0.740 |                  |
| When I receive good service from Borough X council, I comment about it  | 0.783 |                  |
| When I experience a problem with a Borough X council service, I let them know about it                                  | 0.799 |                  |
|   |       | <b>0.785</b>     |
| <b>Value-in-use</b>   |       |                  |
| If service is not delivered as expected, I would be willing to put up with it.  | 0.517 |                  |
| Overall, how satisfied are you with the way Borough X area has been transformed?  | 0.763 |                  |
| I am able to interact with other people while using Borough X council services related to area and economic development | 0.651 |                  |
| I tend to enjoy using Borough X council services  | 0.815 |                  |
|   |       | <b>0.79</b>      |
| <b>Public value</b>   |       |                  |
| <i>Hedonistic-aesthetical</i>   |       |                  |
| Borough X council services contribute to our quality of life  | 0.778 |                  |
| Borough X council services are enjoyable or have enjoyable outcomes for people  | 0.755 |                  |
|   |       | <b>0.734</b>     |
| <i>Utilitarian-instrumental</i>   |       |                  |
| Borough X council services seem economically viable   | 0.800 |                  |
| Borough X council performs well in its core business  | 0.766 |                  |
|   |       | <b>0.792</b>     |
| <i>Political-social</i>   |       |                  |
| Borough X council contributes to social cohesion  | 0.720 |                  |
| Borough X council services have positive effects on social relationships in Borough X                                   | 0.722 |                  |
|   |       | <b>0.72</b>      |
| <i>Moral-ethical</i>  |       |                  |
| Borough X council employees behave decently.  | 0.606 |                  |
| Borough X council seems fair and ethical  | 0.828 |                  |
|   |       | <b>0.81</b>      |

**Appendix 3: Analysis of necessary conditions (study 1)**

|   | <b>Consistency</b> | <b>Coverage</b> |
|---|--------------------|-----------------|
| <b>Citizenship<br/>Behaviour</b>        | 0.80               | 0.85            |
| <b>Value-in-<br/>Use</b>                | 0.73               | 0.84            |
| <b>Public<br/>Value<br/>Hedonic</b>     | 0.74               | 0.81            |
| <b>Public<br/>Value<br/>Utilitarian</b> | 0.68               | 0.82            |
| <b>Public<br/>Value<br/>Political</b>   | 0.72               | 0.81            |
| <b>Public<br/>Value<br/>Moral</b>       | 0.73               | 0.76            |

#### Appendix 4: Value of engagement (study 2)

|                                    |   |
|------------------------------------|---|
| <p><b>Value to the Council</b></p> | <p><b>Democratic value (public value):</b><br/> <i>But, you know, even so, I think at the end of that process, being able to allow access to those meetings and the accountability, the decision making [...] is really important. So even if you hopefully are engaged in the process up to that point, to be able to then dial in and watch and see democracy in progress is really important. (Interviewee 4)</i></p> <p><b>Trust and legitimacy (public value)</b><br/> <i>We shifted the dial of the hardest things: on how much you feel you can influence local decision making [...] it was a small but [...] significant amount in the right direction. [...] our last set of data showed us that our resident trust level is [...] higher than the national average. [...] I like to think that our open listening, our big set piece engagement events and exercises have played a big part (Interviewee 7)</i></p> <p><b>Output, Outcomes and Impact value (private and public value):</b><br/> <i>...this was a year-long engagement programme where people told us very rich qualitative information on the area; how they would like it to change. This influenced not just our housing strategy, this influenced our direction on schooling, it influenced some big programmes and policies of work. (Interviewee 6)</i></p> <p><b>Policy value (legitimacy, quality of evidence, lived experience -public value):</b><br/> <i>We have recently adopted child friendly supplementary planning documents, which really is great in a number of ways, one in which it was it was developed with young children and young people and helps provide guidance on how you can consider the interests of children and young people of various spatial scales from the doorstep through to big kind of area-based considerations. So that [...] will be helpful in informing future plans, but it also [...] a really good example of how you can engage children and young people in plan making. (Interviewee 4)</i><br/> <i>We were out in market stalls, we were out across our estates; this was a huge place based engagement exercise that told us about [...] how residents felt. This really influenced our direction of travel in terms of how we engage with our residents, we realised that people could be involved when it was something that was quite open. (Interviewee 6)</i></p> |
| <p><b>Value to residents</b></p>   | <p><b>Therapeutic value (private value):</b><br/> <i>... does the partner, or the community feel that they're being listened to, do they feel it's working for them? The value must come from the fact that we are speaking to people who will be here and will continue to experience what we've put in place and the kind of role we have there, as everyone who might be involved in this type of work. So I think that's the value and this kind of really broad sense of it. (Interviewee 3)</i></p> <p><b>Accountability, voice, influence (public value):</b><br/> <i>People rightly can be annoyed and put in objections to things like planning applications. And really, you can create campaigns and momentum against what we do. And really, that can stop you getting things done and it can stop you getting things done for a really long time, even if that is the right thing (Interviewee 3)</i></p>  |
| <p><b>Value to developers</b></p>  | <p><b>Financial value (private value):</b><br/> <i>The importance of early community engagement in bringing the community with you will save you so much money in the long run. Because the quicker you can get on site and bring the community with you and the smoother the planning application process, then financially, that is so much better. So, you know, that early community engagement and bringing the community with you as a proposal evolves will mean that you will save, financially, a huge amount of money and get in a quick decision [...] (Interviewee 4)</i></p>   |