



NATIONAL PRODUCTIVITY AND PERFORMANCE CONFERENCE - 2026

17-19 JUNE 2026

KENYA SCHOOL
OF GOVERNMENT
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Theme: Productivity for Fiscal Sustainability
and Efficient Service Delivery

**Public Sector Productivity
Measuring, Mobilising and
Managing**

**Bart van Ark
The Productivity Institute
University of Manchester
UK**



<https://productivityconference.src.go.ke>

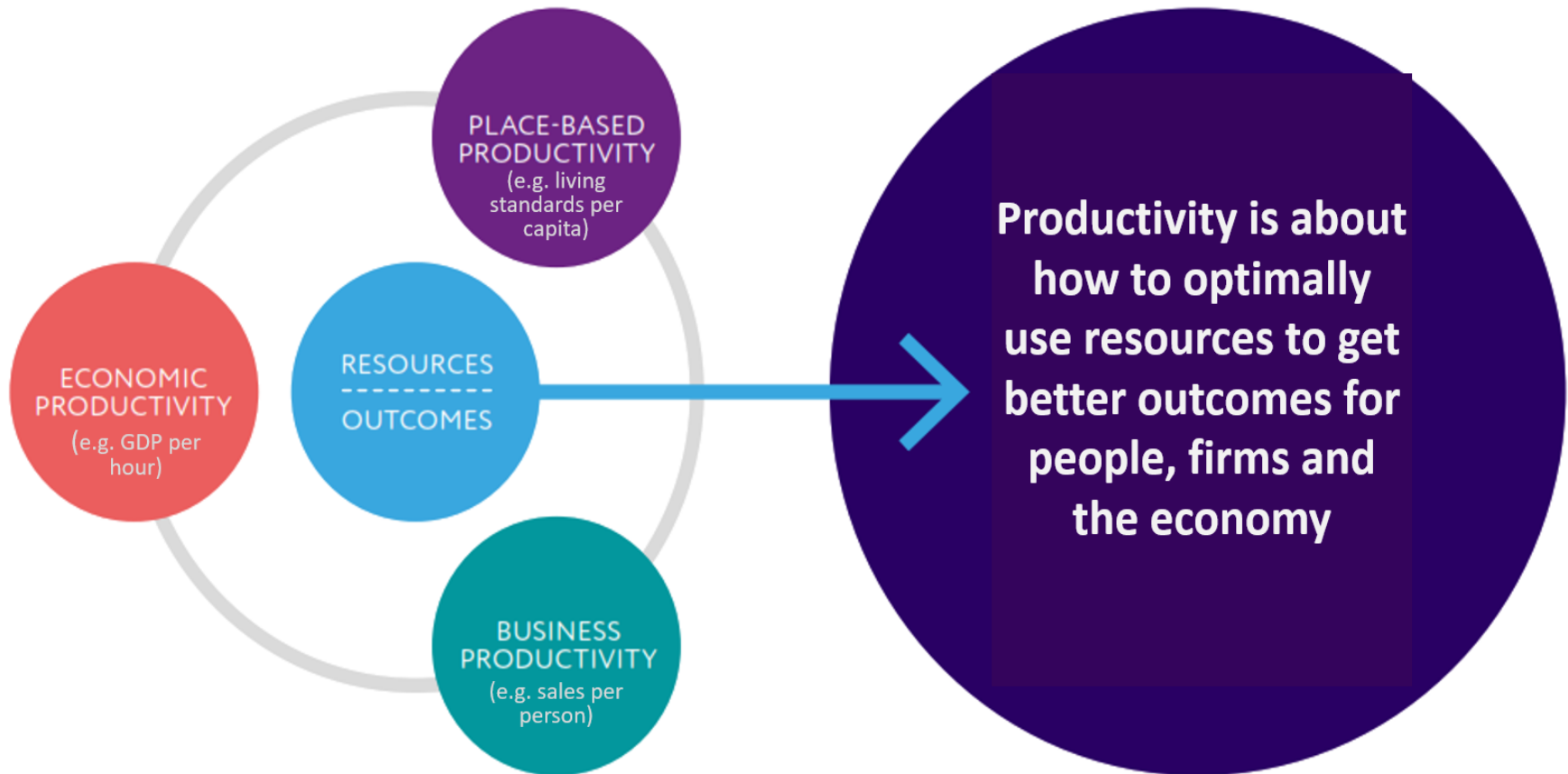
Why public sector productivity matters

- **Public sector uses and produces key resources.**
 - Between 10-20% of GDP and 15-25% of employment.
 - Government spending between 20-40% of GDP.
 - Delivers essential services not provided by private sector.
 - Drives private sector demand (e.g., defense, trade, construction, health, education).
- **Public sector vital to living standards and well-being**
 - Quality of public services directly improve lives.
 - Pandemic showed its role in protection and resilience.
 - Largest employer in many low-income areas/countries.
 - Supports shared platforms for citizens and firms.

The challenges of public sector productivity

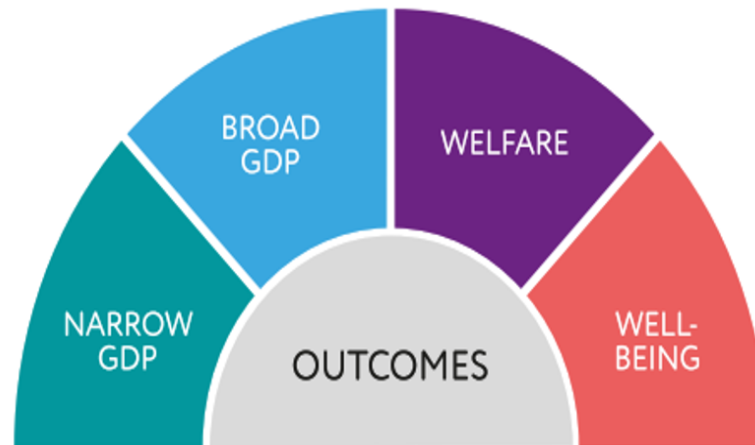
- **Baumol's cost disease:** rising demand for labour-intensive services (health, education)
- **Complex organisational structures** due to multi-product/services deliveries
- **Governance and democratic procedures** slow decision-making and implementation
- **Institutional resistance** hampers the effectiveness of change initiatives
- **New Public Management** and similar efficiency drives had mixed productivity results
- **Target obsession** risks missing real outcomes

Expanding productivity's scope for better outcomes



Expanding productivity's scope for better outcomes

OUTPUT / INPUT = >>>>>>> OUTCOMES / RESOURCES

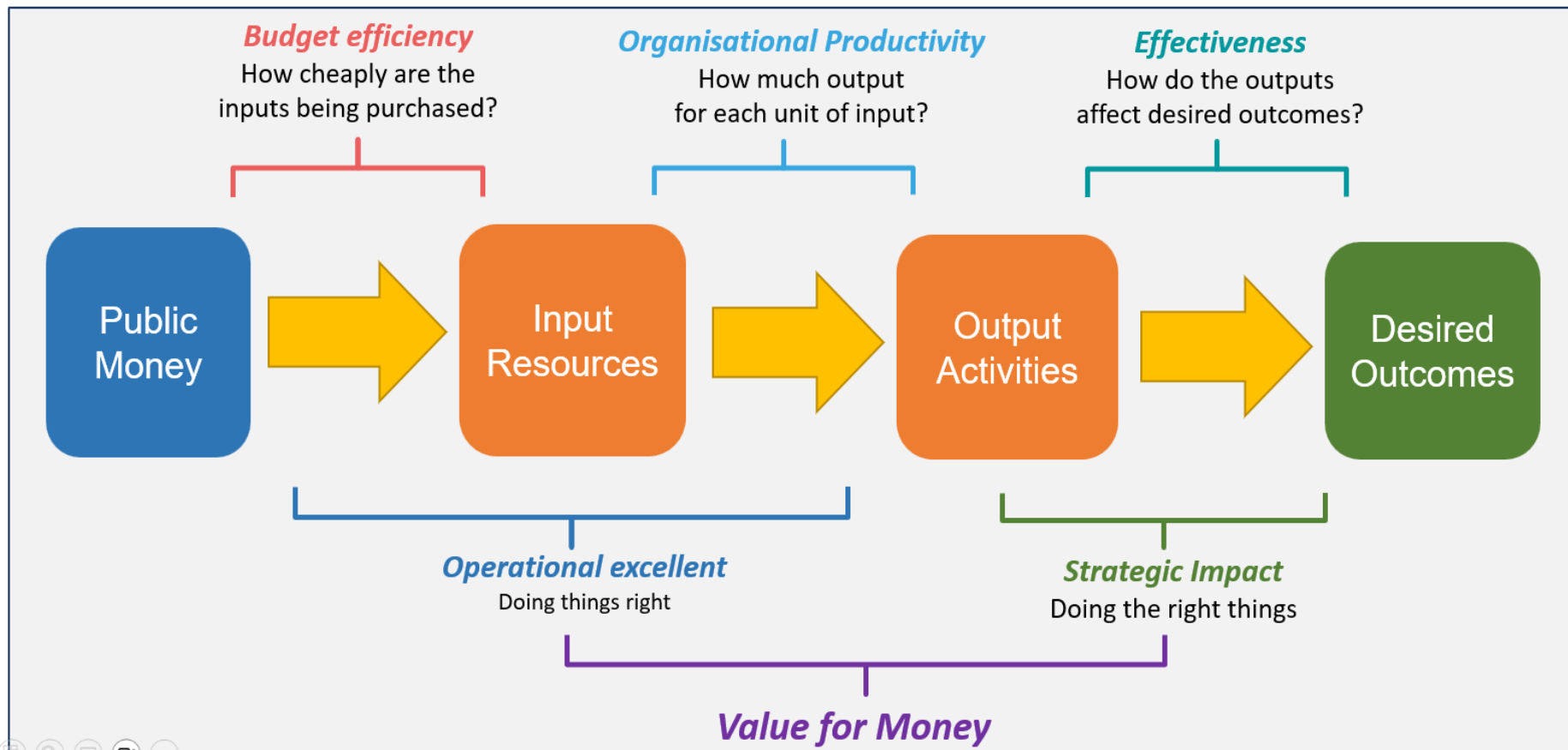


Source: The Productivity Institute, based on Richard Heys & Josh Martin & Walter Mkandawire, 2019. "[GDP and Welfare: A spectrum of opportunity](#)," [Economic Statistics Centre of Excellence \(ESCoE\) Discussion Papers](#) ESCoE DP-2019-16, Economic Statistics Centre of Excellence (ESCoE)

Public sector delivery chain

The Public Sector Delivery Chain

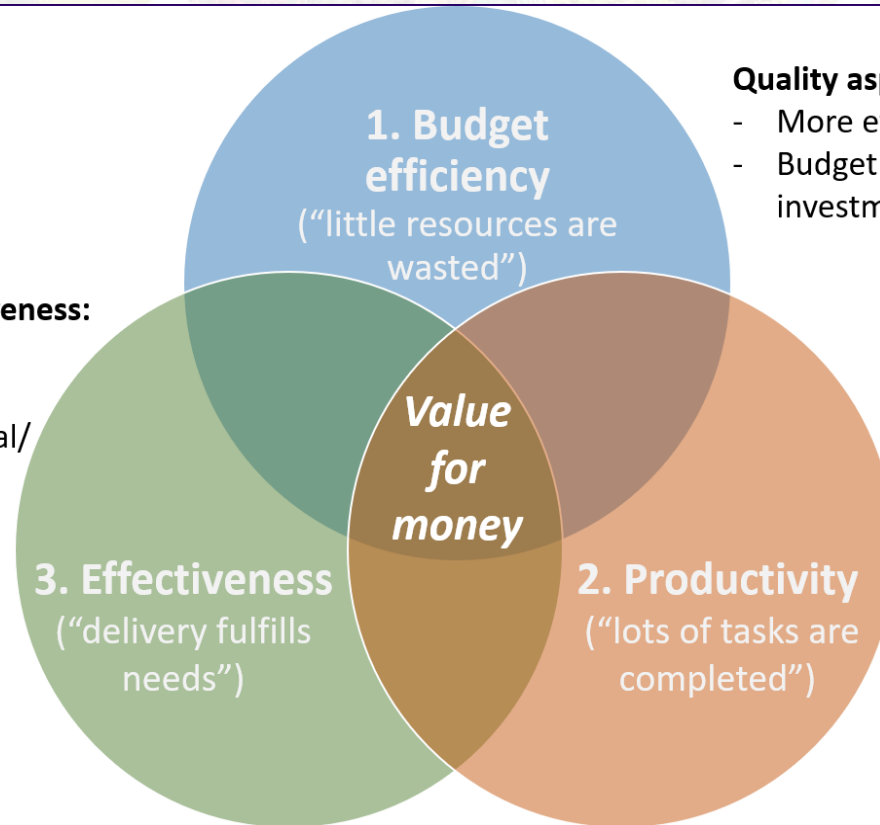
A simplified model of how public money is turned into inputs, outputs and outcomes



Public sector productivity is a complex matter

- **No Market Prices:** Hard to value outputs without market transactions.
- **Output $\neq$ outcomes:** Spending-based output measures miss quality improvements.
- **Multiple outcomes:** Diverse objectives that are not easily quantifiable.
- **Delayed impact:** Long time lag between input and outcomes.
- **Quality measurement is subjective:** Hard to assess consistently across users.

Measurement of quality improvement is key



Quality aspects of cost efficiency:

- More effective procurement
- Budget planning (e.g. upfront investments, payback periods)

Quality aspects of effectiveness:

- Package multi-services offerings
- Collaboration in regional/local ecosystems

Quality aspects of organisational productivity:

- Speed of delivery/waiting times
- Streamline service offerings
- Data-driven decision-making
- Tailoring customer needs
- Management that focuses strategically and long-term

UK has world class stats on public sector prod'ty

Corpus ID: 109805506

The Atkinson Review: Final Report: Measurement of Government Output and Productivity for the National Accounts

[A. Atkinson](#) • Published 31 January 2005 • Economics, Political Science

The Atkinson Review: Final Report is the culmination of a year-long review of the measurement of UK government output and productivity. Sir Tony Atkinson from Nuffield College, Oxford, led the review supported by a team seconded from the Office for National Statistics, HM Treasury, Department of Health and the Bank of England. A key objective of the review was to recommend methods and approaches which could be used to measure UK government output. In addition to recommending a general framework... [Expand](#)

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Independent report

Independent review of UK economic statistics: final report

This is the final report of the independent review of UK economic statistics, led by Professor Sir Charles Bean of the London School of Economics.

From: [HM Treasury](#), [Cabinet Office](#), [The Rt Hon Matt Hancock](#) and [The Rt Hon George Osborne](#)

Published 11 March 2016

Last updated 11 March 2016 — [See all updates](#)

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National Statistician's Independent Review of the Measurement of Public Services Productivity

Published: 13 March 2025
Last updated: 14 March 2025

National Statistician's foreword



I am delighted to publish this report today, summarising the significant work the Office for National Statistics (ONS) has undertaken over the last 18 months to review and improve the measurement of public service productivity in the UK.

In 2023 the then Chancellor of the Exchequer commissioned me to undertake this Review. Since then, the productivity of our public services continues to be under scrutiny, particularly in the wake of the coronavirus pandemic. Having good quality data is more important than ever to provide insight and support government decision making in this area.

Measuring public service productivity has historically been recognised as a challenging area. In the UK, around 20% of Gross Domestic Product (GDP) is accounted for by the outputs of public services.

[Home](#) > [Economy](#) > [Economic output and productivity](#) > [Public services productivity](#) > Public service productivity, quarterly, UK

Public service productivity, quarterly, UK: October to December 2025

UK total public service productivity, inputs and output, to provide a short-term, timely indicator of annual productivity estimates. These are official statistics in development.

This is the latest release. [View previous releases](#)

 Office for National Statistics

Public services performance tracker

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inputs → service capacity → user outcomes

250+ indicators across nine major

- o spending
- o demand
- o workforce
- o outputs and outcomes

Figure CSA 1.1 Service performance ratings, October 2025

Service	Performance on the eve of pandemic vs 2009/10	Performance at the 2024 general election vs on the eve of pandemic	Progress since the 2024 general election	Reason
General practice	↓ Much worse	↘ Worse	→ Little progress on the most important issues, but some on minor issues	Progress on salaried GPs, but no steps taken to make partnership more attractive
Hospitals	↓ Much worse	↓ Much worse	→ Little progress on the most important issues, but some on minor issues	Government has set out high-level ambitions and reduced competing priorities, but no detail of implementation
Adult social care	↓ Much worse	↘ Worse	↓ Decisions made have exacerbated challenges	Largely ignored. Ending the care visa route without a workable solution for Fair Pay Agreements could cause workforce shortages
Children's social care	↘ Worse	→ About the same	↑ Good progress on the most important issues	Government has set out a clear and ambitious vision for reform and has backed it with relatively generous funding
Homelessness	↘ Worse	↘ Worse	→ Little progress on the most important issues, but some on minor issues	Early signs are encouraging, but government has yet to set out its homelessness strategy
Schools	↗ Better	↘ Worse	↘ No progress on the most important issues	Government's plan to reduce inequalities in schools and tackle teacher shortages are unclear, and the crisis in SEND services casts a long shadow
Police	↘ Worse	↘ Worse	↘ No progress on the most important issues	Government has made limited progress in increasing neighbourhood officer numbers and has yet to announce details of planned reforms
Criminal courts	↘ Worse	↓ Much worse	↘ No progress on the most important issues	Increasing court sitting days was welcome, if done too late, but the government has yet to announce a longer-term plan
Prisons	↓ Much worse	↘ Worse	↗ Some progress on the most important issues, but have not gone far enough	Rapid action addressed the immediate population crisis, but there has been limited progress towards a longer-term solution

Mobilising public sector productivity

Adaptive organisation

- Create long term focus
- Scale up to deliver larger gains
- Adapt to context specific needs, esp. at regional and local levels
- Strengthen social infrastructure role of public sector institutions

Agile workforce

- Focus on continuous learning and improvement especially on digital
- Management focus on business design and project management

Organisation



People



Technology



Investment



Digital transformation

- Large potential, challenging realization
- AI not just at front end but also at back end
- Streamline internal processes
- AI to resolve information bottlenecks

Capital

- Hardware matters to facilitate intangibles
- A clear & flexible plan for the long-term
- Scale is key to capital

Source: Based on B. van Ark (2022), Making Public Sector Productivity Practical, The Productivity Institute
(<https://www.productivity.ac.uk/research/making-public-sector-productivity-practical/>)

Publications



Capita | THE PRODUCTIVITY INSTITUTE

Making Public Sector Productivity Practical

The Productivity Institute
Alliance Manchester Business School
University of Manchester

Bart van Ark




THE PRODUCTIVITY INSTITUTE

Economic and Social Research Council

An Old Challenge in the New Era:

How the Public Sector Can Benefit from the Age of AI

Author:
Joel Hoskins
The Productivity Institute

Date:
September 2025

The Productivity Institute
Productivity Insights Paper No.060

RNI

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