Value for money, judged more democratically

Economic analysis and deliberation for systems change

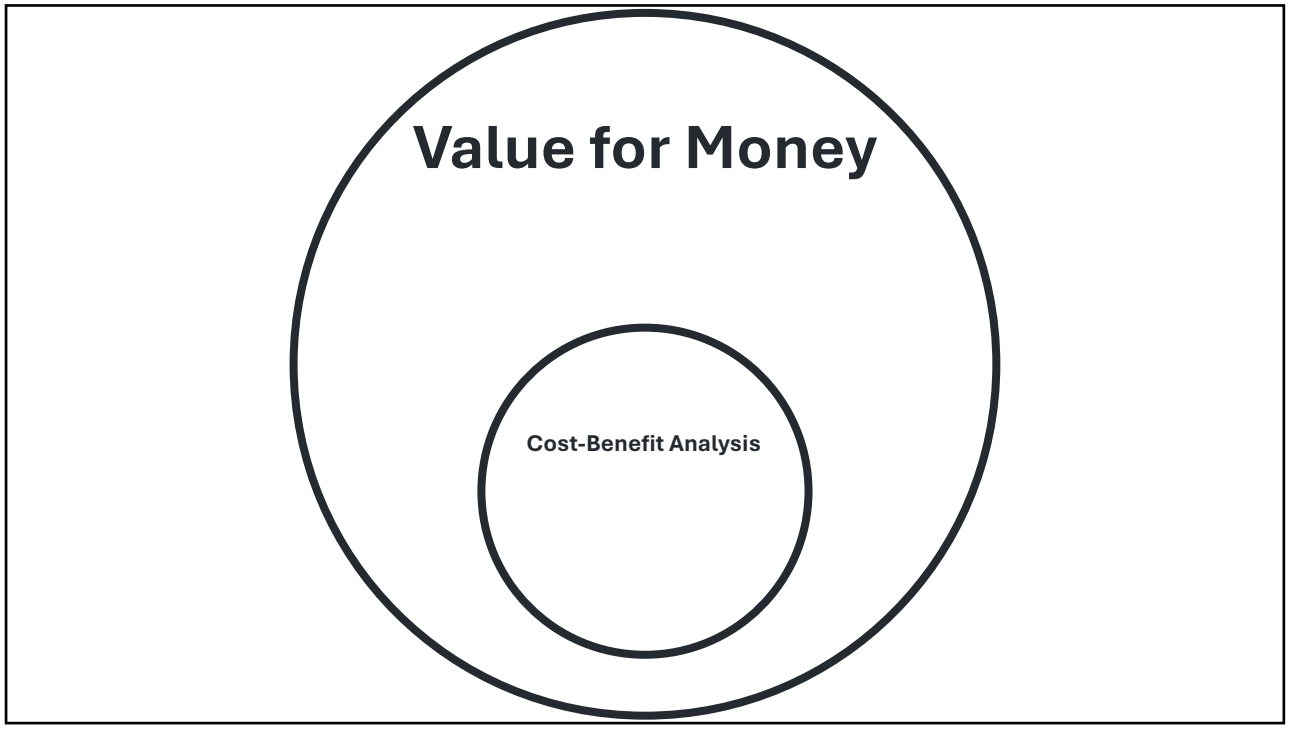
Julian King, Heidi Peterson,
James Copestake, and Alex Hurrell

October 2026

1

Value for Money ≠ Cost-Benefit Analysis

2



3

A decision scenario

A government is considering greater investment in community health workers in under-served communities.

Aims:

- Earlier access and prevention
- Reduced inequities
- Less escalation into higher-cost care

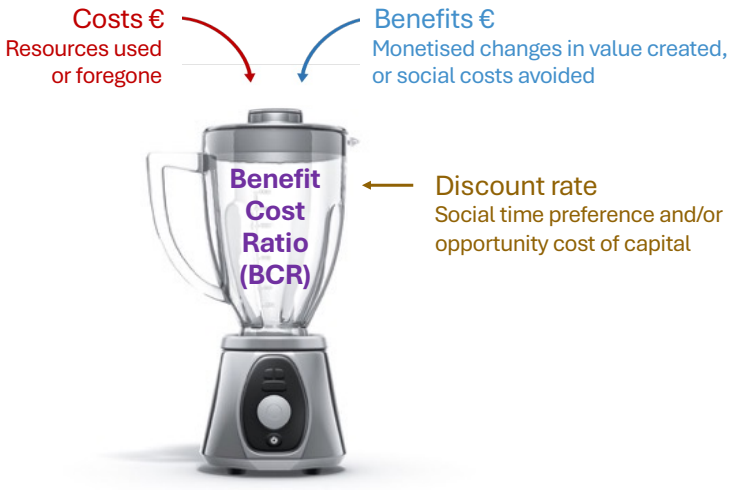
Is this a good use of resources?

Compared with what, for whom, on what basis?

CHW photos from 1,000 Days Fund, used with permission

4

CBA: a blender for values



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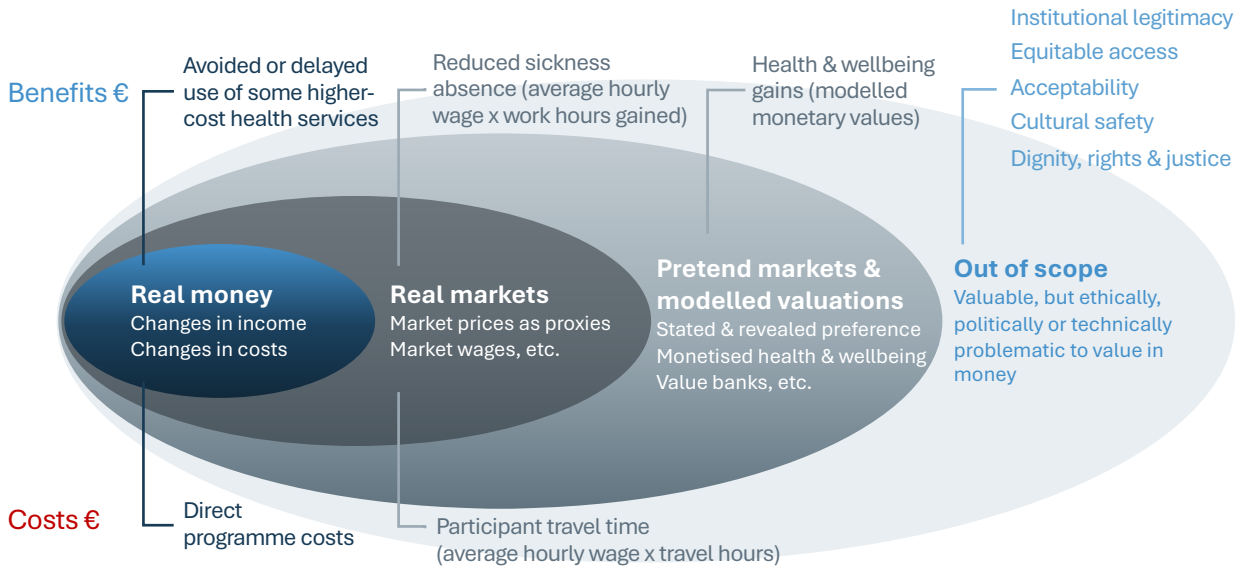
Valuing benefits and costs in money



Valuation methods vary in assumptions and contestability.

Adapted from a concept in Dalziel, P. (2011). The economic and social value of sport and recreation to New Zealand.

6

More broadly, what matters beyond the BCR?

Ethical duties
Legal obligations
Legitimacy and social licence
Non-monetised impacts
Productivity
Implementation quality
Continuity and coordination
Economy of procurement
Input quality and fitness for purpose
Avoidable waste and duplication
Environmental stewardship
Climate resilience
Governance
Probity and integrity
Institutional capability
Feasibility
Commercial and contractual viability
Affordability and fiscal sustainability
Funding certainty
Environmental sustainability
Adaptive capacity
Catalytic effects

Innovation, learning and improvement
Option value
Reversibility
Implementation risk
Political and policy risk
Relevance
Strategic alignment
Coherence
Accessibility
Acceptability
Cultural safety and integrity
Relational quality
Trust
Workforce sustainability
Voice and lived experience
Community ownership and capability
Procedural fairness
Distributive justice
Equity of access, experience & outcomes
Human dignity and rights
Safeguarding

7

Calls for a broader approach

Dirk Bester,
University of Oxford

Prof. Bent Flyvbjerg, Saïd Business School, University of Oxford

"For cost-benefit analysis to be accepted and have impact, it must be understood … in ways that fit with the messy, non-expert character of present-day democratic decision making.

Here **CBA is just one of many inputs** that are amalgamated into the overall decision-making process."

(Flyvbjerg & Bester, 2021, *The Cost-Benefit Fallacy,* p. 12)

8

Calls for a broader approach

"In short, **CBA is not a super-procedure**.

It implements overall welfare, not the totality of moral considerations … but we have absolutely **no idea** what the super-procedure would consist in."

(Adler & Posner, 2006, *New Foundations of Cost-Benefit Analysis* pp. 157-8)

Prof Eric A. Posner, Chicago Law School

Distinguished Prof. Matthew Adler, Duke University Law, Economics & Public Policy

9

no idea..?

King, J. (2019). *Evaluation and Value for Money: Development of an approach using explicit evaluative reasoning*. (Doctoral dissertation). Melbourne, Australia: University of Melbourne.

THE UNIVERSITY OF MELBOURNE

10

Michael Scriven (1928-2023)

EVALUATION

The systematic determination of merit, worth and significance (aka value)

11

E. Jane Davidson

In other words…

HOW GOOD something is, and whether it's GOOD ENOUGH

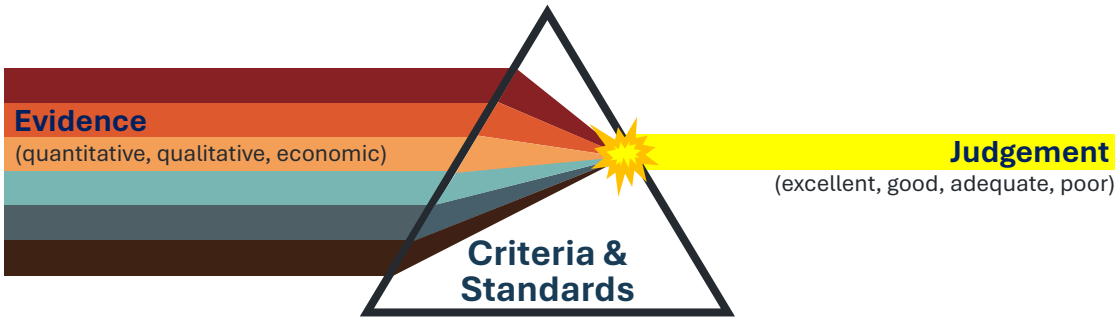
12

HOW GOOD requires more than just Evidence - it demands a Judgement

Evaluation does not aim simply to describe some state of affairs but to offer a considered and reasoned judgement about that state of affairs.

13

Decision architecture: explicit evaluative reasoning



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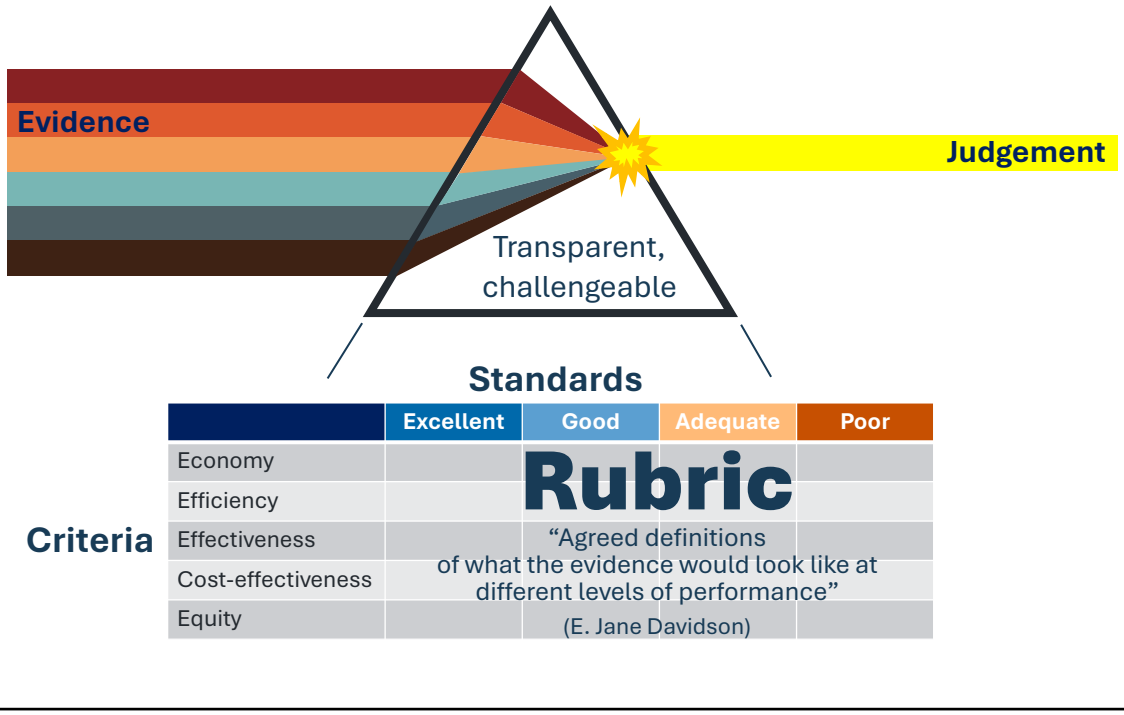
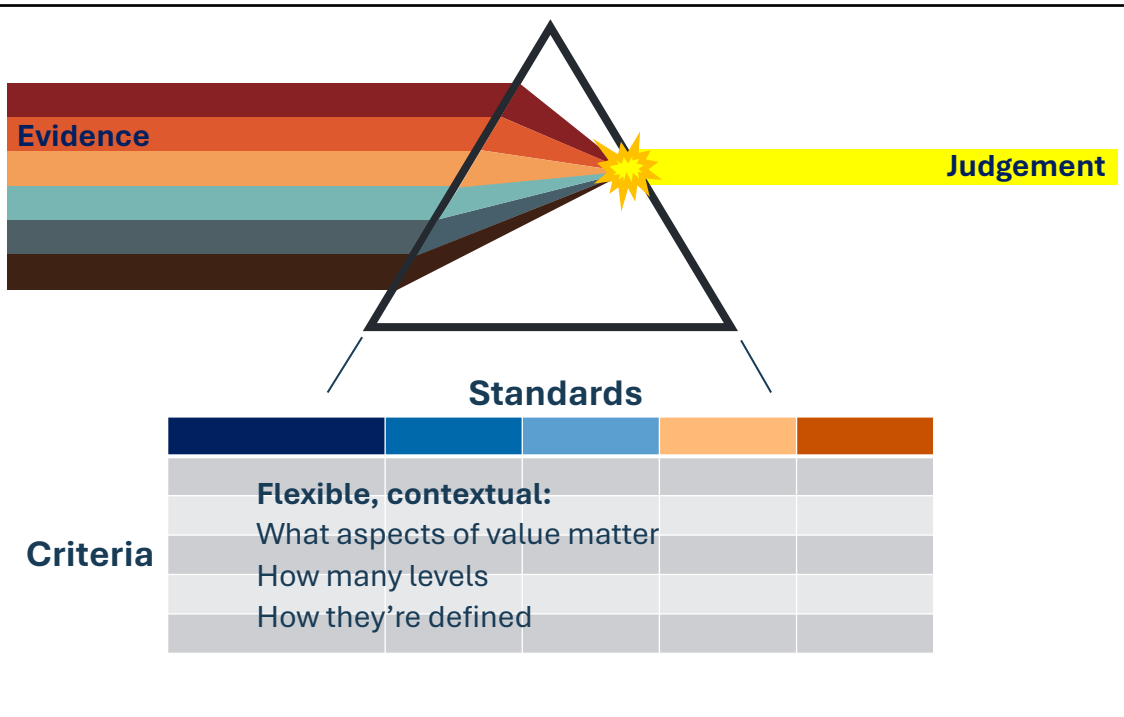
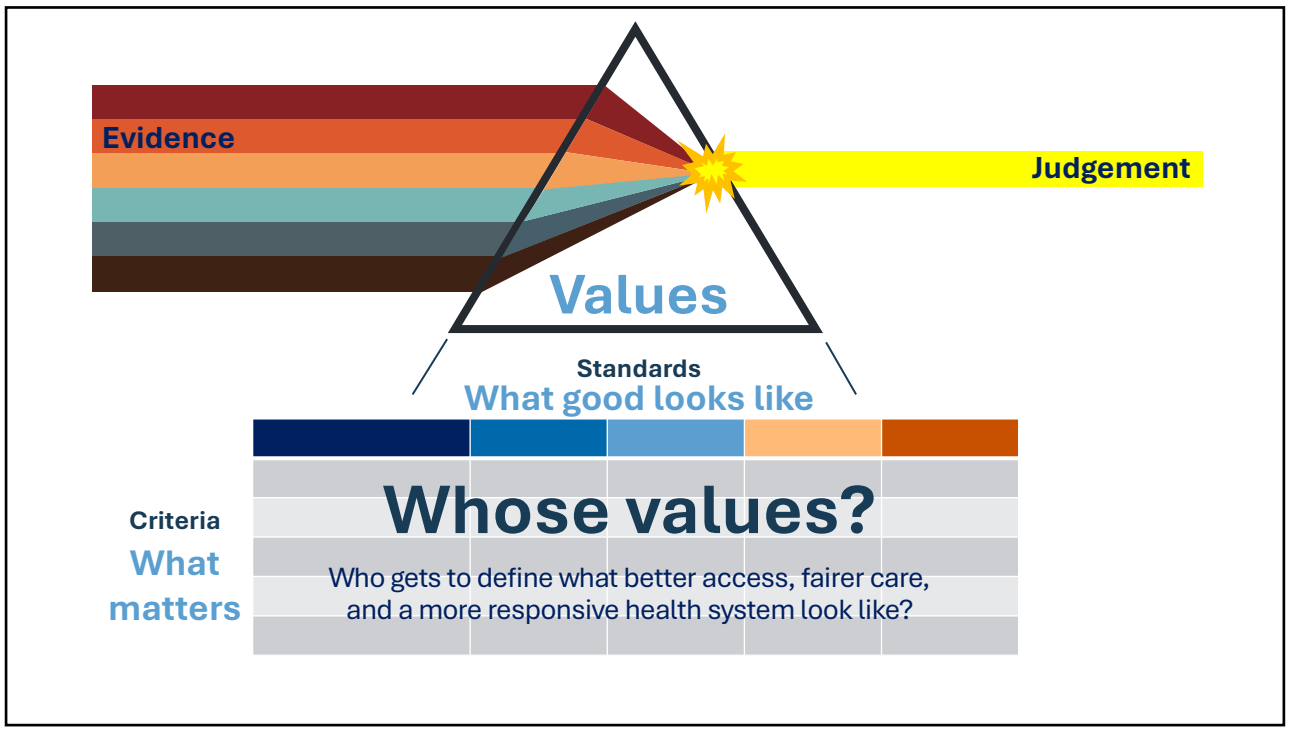

Evidence
Judgement
Transparent,
challengeable
Standards
Excellent
Good
Adequate
Poor
Economy
Efficiency
Effectiveness
Cost-effectiveness
Equity
Criteria
Rubric
"Agreed definitions
of what the evidence would look like at
different levels of performance"
(E. Jane Davidson)

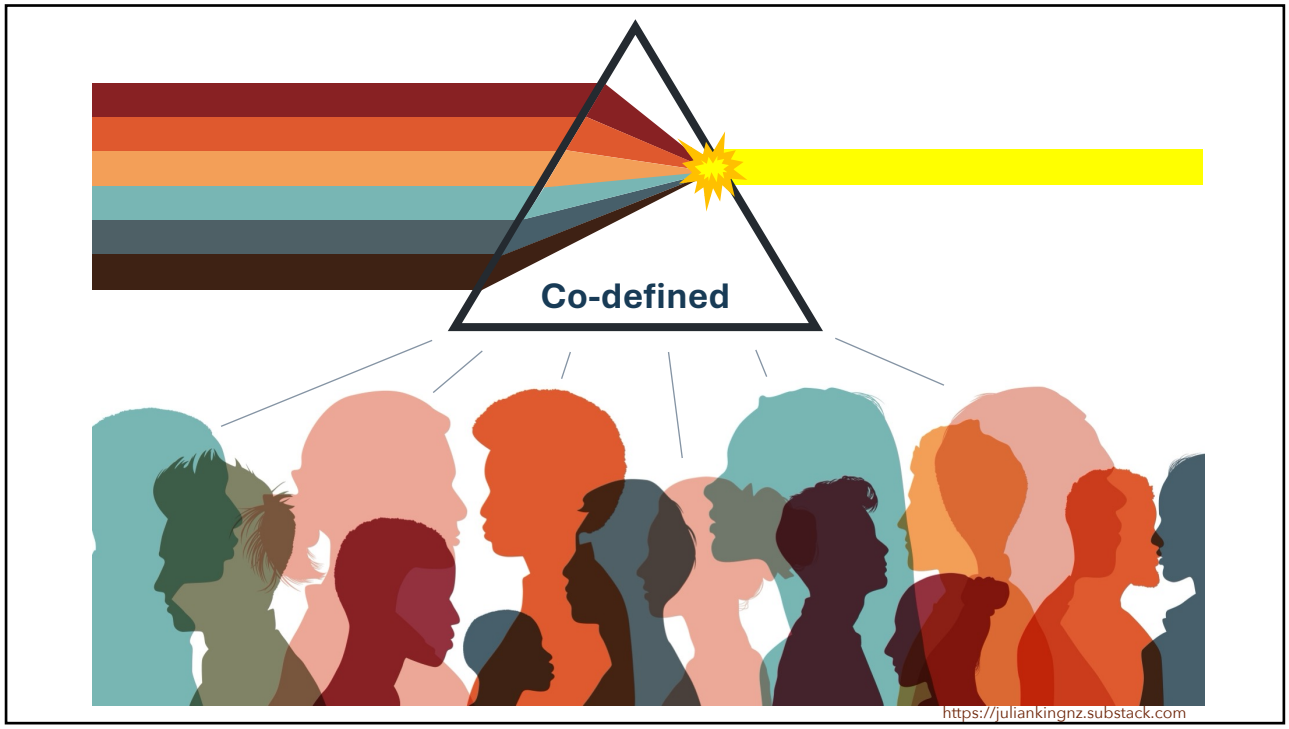
15


Evidence
Judgement
Standards
Criteria
Flexible, contextual:
What aspects of value matter
How many levels
How they're defined

16


Evidence
Judgement
Values
Standards
What good looks like
Criteria
What matters
Whose values?
Who gets to define what better access, fairer care, and a more responsive health system look like?

17


Co-defined
https://juliankingnz.substack.com

18

Value for Investment
Te Kounga o te Werawera

inter-disciplinary | mixed methods | evaluative reasoning | participatory

19

Not another method.

You already have the methods and

TOOLS

20

A set of principles and an eight-step

PROCESS

to help align methods and tools
to value for money questions

21

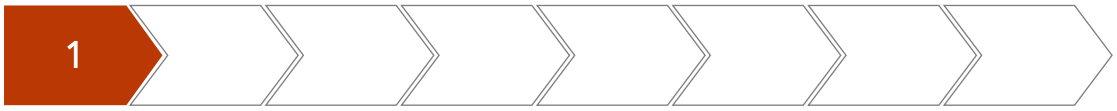
Design **Evaluation**

1 2 3 4 5 6 7 8

Investment in community health workers in under-served communities

22

Understand the program

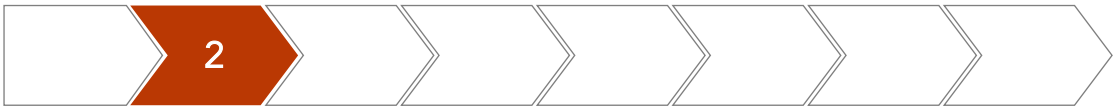


Align the evaluation to context & value proposition

To **whom** are community health workers (CHW) valuable, and in what ways?
What **inequities** can CHW help to tackle, for whom and how?
What **resources** (monetary and other) are invested in CHW, by whom?
What does good **stewardship** of those resources look like?
What **ways of working** will maximise value from the investment in CHW?
What **outcomes and impacts** should we pay attention to, that will indicate whether an investment in CHW is on track to deliver value?
What **critical factors** affect whether an investment in CHW add a lot of value or a little?

23

Understand the program Criteria



Define aspects of VfM

Criteria	Context-specific sub-criteria – examples:
Economy	Proportionate funding, workforce and training inputs
Efficiency	Reach, continuity, and coordination from available resources
Effectiveness	Earlier access, uptake, reduced unmet need, prevention
Cost-effectiveness	Value created relative to resources invested
Equity	Fair access, quality and benefits for under-served groups

24

Define levels of VfM

	Excellent	Good	Adequate	Poor
Generic definitions	Meeting or exceeding reasonable expectations bearing in mind context. Room for incremental improvements.	Generally meeting reasonable expectations, allowing for minor exceptions. Some improvements needed.	Fulfilling minimum requirements and showing acceptable progress overall. Significant improvements needed.	Not fulfilling minimum requirements or not showing acceptable progress. Urgent improvements needed.

25

Criteria x Standards = Rubric

	Excellent	Good	Adequate	Poor
Economy				
Efficiency				
Effectiveness				
Cost-effectiveness				
Equity				

Agreed definitions of what the evidence would look like at different levels of performance

26

	Excellent	Good	Adequate	Poor
Economy				
Efficiency				
Effectiveness				
Cost-effectiveness	Benefits exceed costs beyond reasonable doubt, robust across key assumptions	Benefits exceed costs on balance of probabilities (more likely than not)	Credible prospect of benefits exceeding costs under plausible assumptions	Unreasonably optimistic assumptions are required for benefits to exceed costs
Equity	Under-served communities experience demonstrably better access, quality and benefits, with meaningful influence over delivery	Some improvement for under-served communities, but access, quality, benefits or influence remain uneven	Minimum expectations of under-served communities are met, but substantial improvement is needed in access, quality, benefits, or influence	Barriers persist, benefits are poorly distributed, or under-served communities have little influence

27

Understand the program | Criteria | Standards | Evidence needed

Identify evidence sources and methods (qual, quant, econ)

	Excellent	Good	Adequate	Poor
Economy				
Efficiency				
Effectiveness				
Cost-effectiveness				
Equity				

- Impact study
- Cost-benefit analysis
- Case studies
- Key informant interviews
- (etc…)

28

Understand the program | Criteria | Standards | Evidence needed | Gather evidence | Analysis

5 6

Gather and analyse credible evidence (qual, quant, econ)

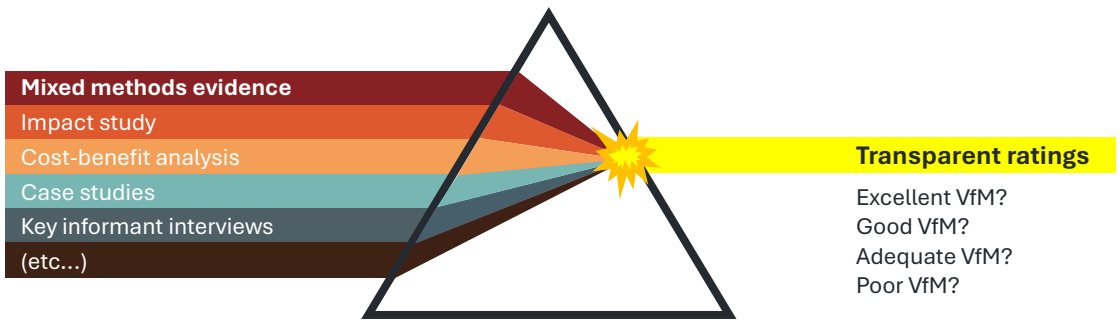
Impact study
Cost-benefit analysis
Case studies
Key informant interviews
(etc...)

29

Understand the program | Criteria | Standards | Evidence needed | Gather evidence | Analysis | Synthesis & judgement

7

Interpret the evidence on the agreed basis



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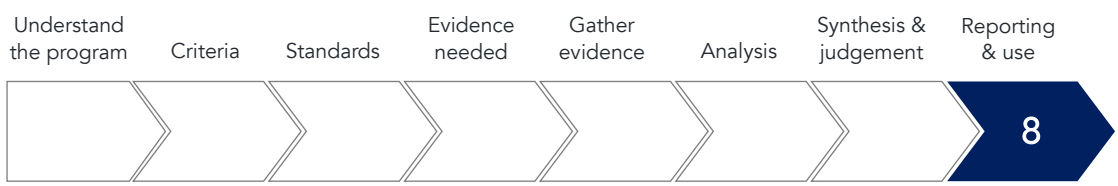
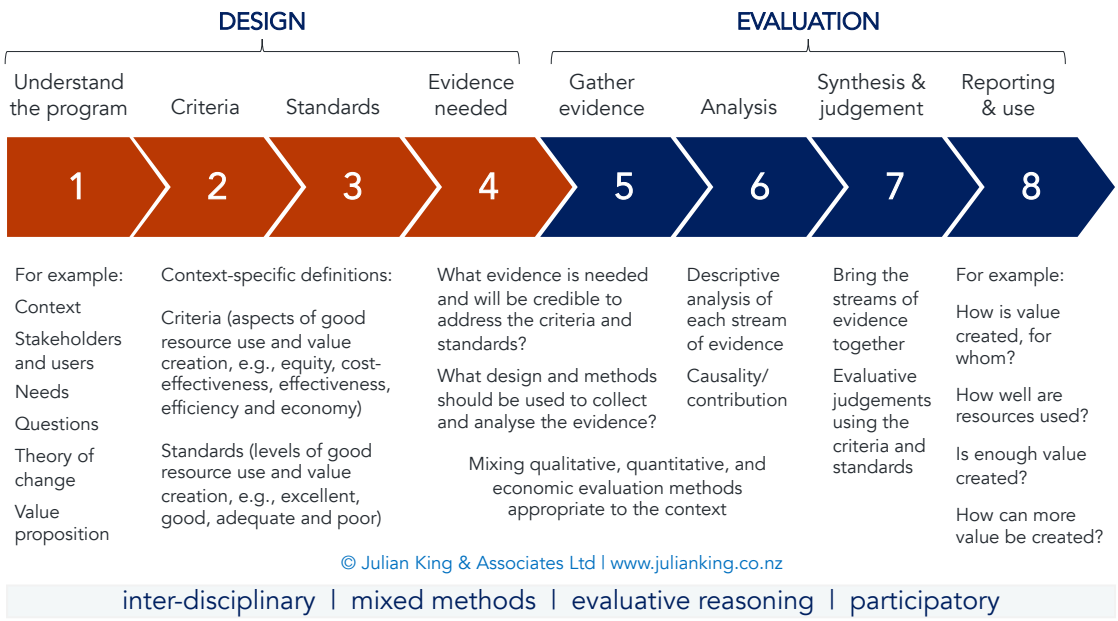


Present clear conclusions

	Judgement	Evidence	Lessons & Opportunities
Economy	**Excellent**		
Efficiency	**Excellent**		
Effectiveness	**Good**		
Cost-effectiveness	**Good**		
Equity	**Adequate**		

31



32

Methods: where the evidence comes from

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inter-disciplinary | mixed methods | evaluative reasoning | participatory

33

Reasoning: how evaluative judgements are made

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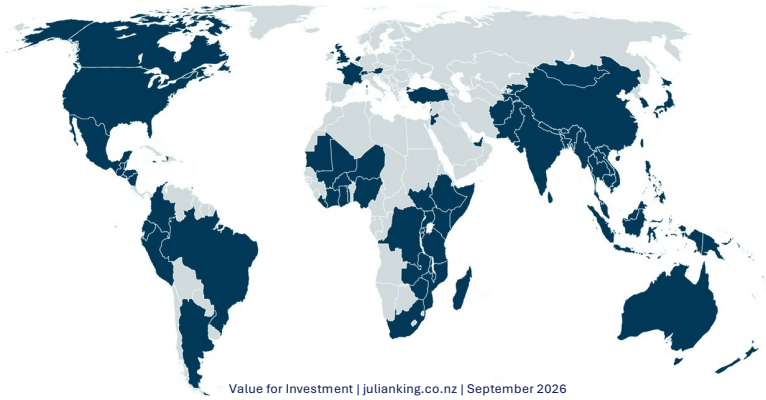
inter-disciplinary | mixed methods | evaluative reasoning | participatory

34

Used across sectors and settings

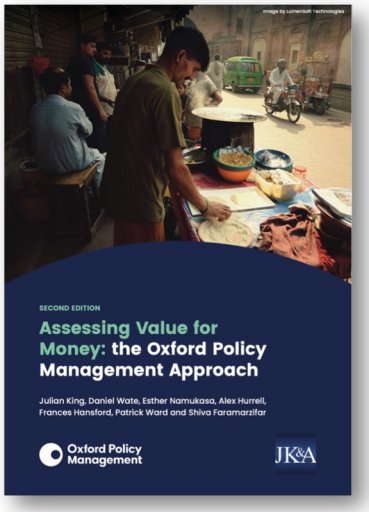


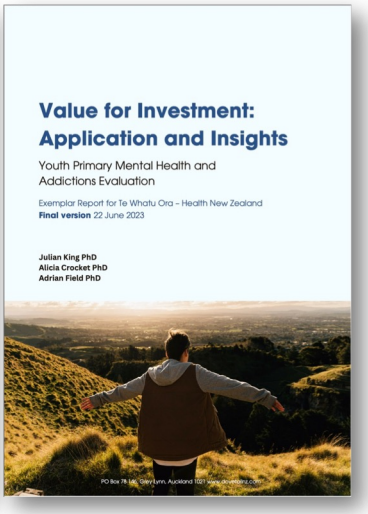
Aged care, agriculture, biodiversity, climate, community services, conservation, creative arts and culture, defence, disability, disaster risk management, early childhood development, economic development, education and training, emergency preparedness and response, energy, enterprise and innovation, environment, female economic empowerment, financial inclusion, governance, health care, housing, humanitarian assistance and innovation, Indigenous development, infrastructure, insurance, international aid and development, justice, labour market and employment, law enforcement, local government, market development, media and communications, mental health and addictions, nutrition, oceans and coastal resilience, philanthropy, public financial management, public health, regional and place-based development, research and development, scientific research and training, social development, social impact, sport and recreation, trade and enterprise, transport, tourism and the visitor economy, urban design, violence prevention, waste management, women's rights and health.

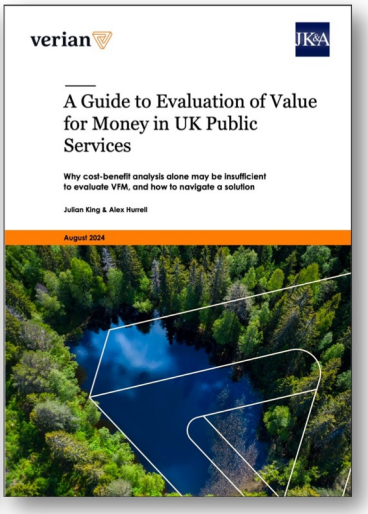
35

Open-access resources

julianking.co.nz







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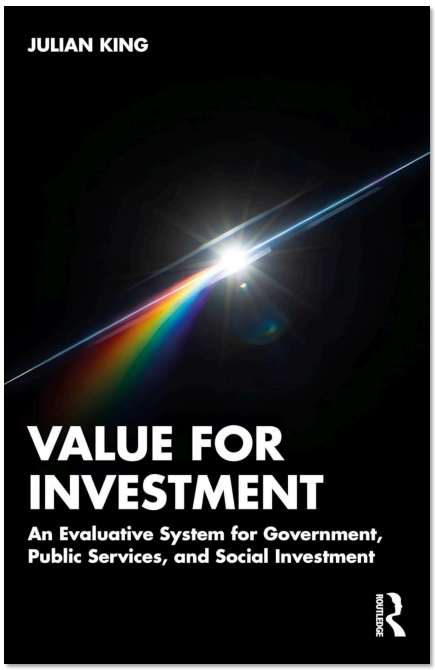

Coming soon

"Julian brings together an economist's respect for scarce resources, an evaluator's obsession with weaving a story that includes all the things that matter, and a decision maker's impatience with academic waffle that doesn't get to the point. The result is a book that is both conceptually solid and immediately usable."

– E. Jane Davidson

37

Discussion – in pairs:

Think about something you've evaluated recently, or something you're evaluating now…

How well-defined was the value proposition of the policy or programme? What was the expected social value of the intended outcomes?

If you only did a cost-benefit analysis, what might you miss?

If you add mixed methods, rubrics, and deliberation with stakeholders, what might you gain?

38

Dr Heidi Peterson

Lead Principal Consultant
Clear Horizon, Melbourne

Peterson, H. (2026) *Value for money on rough ground: rethinking economic evaluation for complex and systems-change initiatives* (Doctoral dissertation). Bath, UK: University of Bath.

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39

A complex system transformation

Community health workers change:

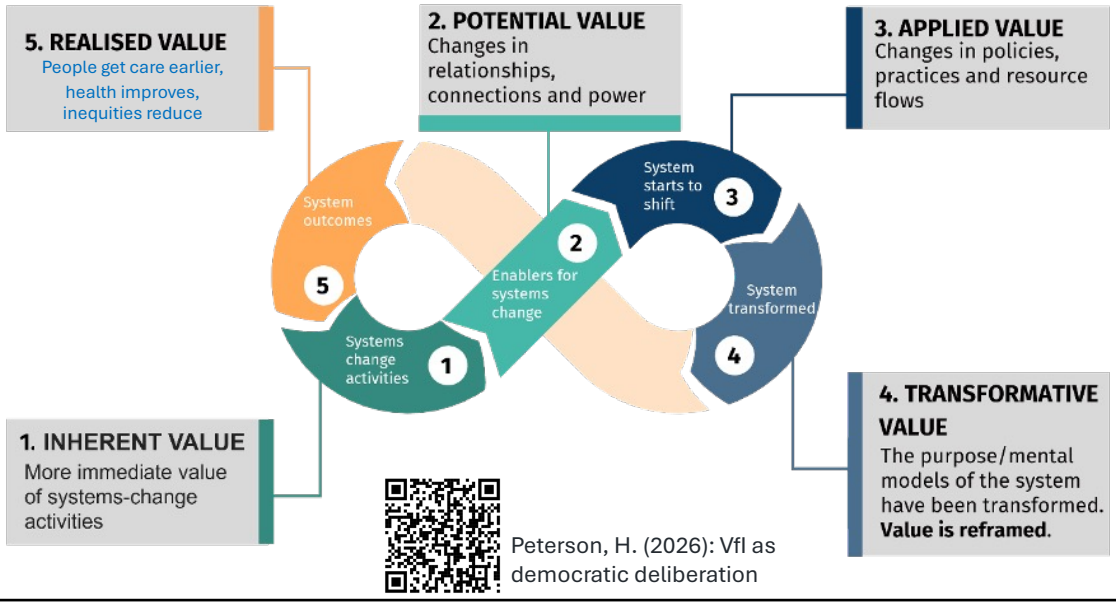
- Community's relationship with health system
- Trust, communication
- How system responds to needs

CHW photos from 1,000 Days Fund, used with permission

Basis for trust in evaluative judgement shifts from technocratic to more deliberative

40

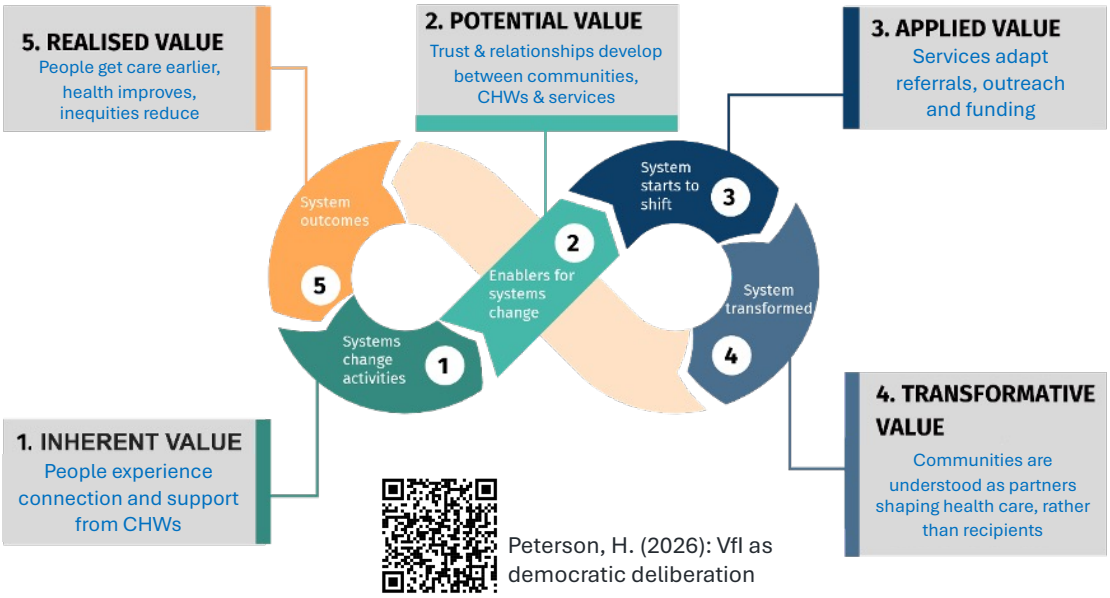
Five types of value in system change initiatives



Peterson, H. (2026): Vfl as democratic deliberation

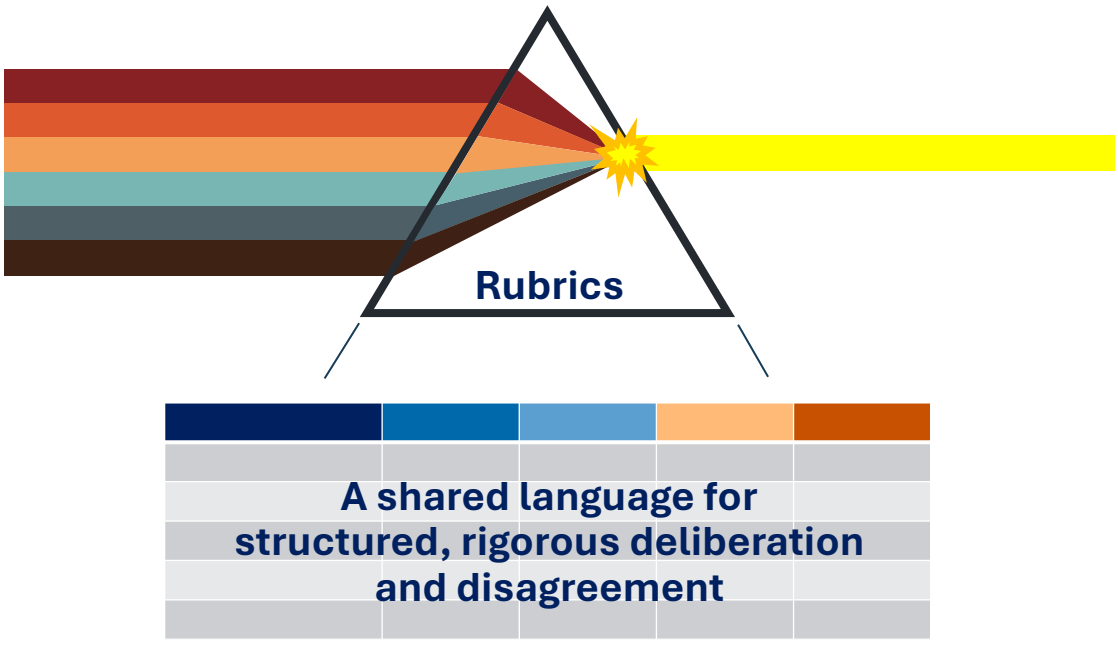
41

Example – community health worker investment

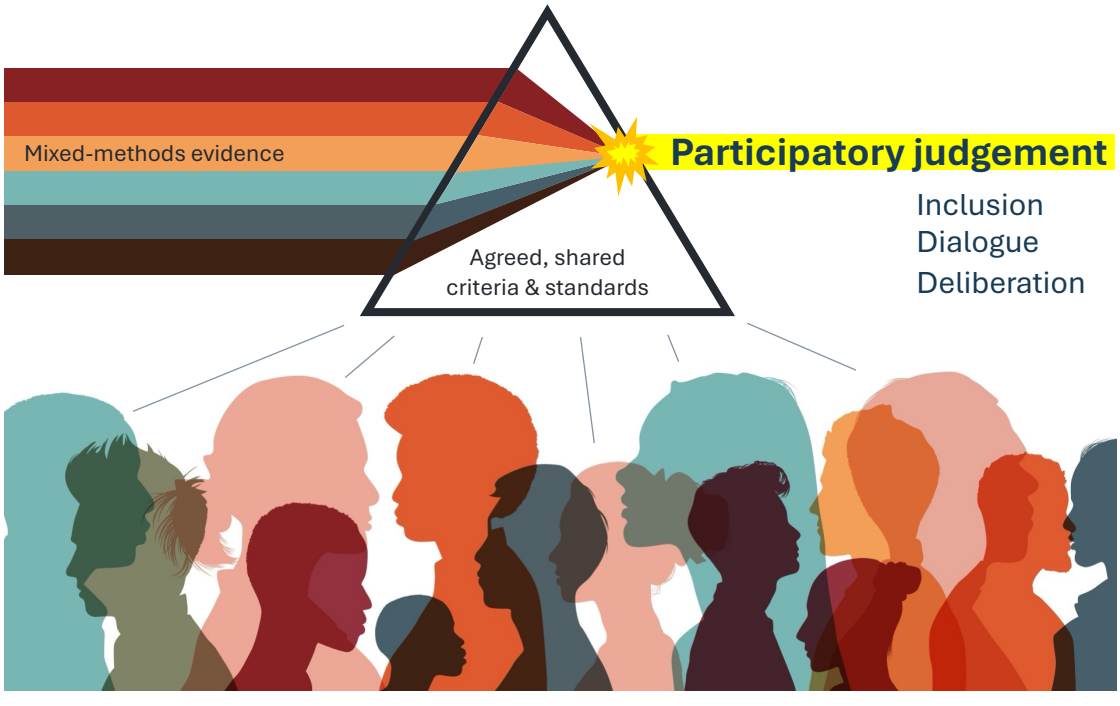


Peterson, H. (2026): Vfl as democratic deliberation

42


Rubrics
A shared language for structured, rigorous deliberation and disagreement

43


Mixed-methods evidence
Agreed, shared criteria & standards
Participatory judgement
Inclusion
Dialogue
Deliberation

44

Evaluator becomes a trusted process-holder

Stepping away from the role of "expert" to facilitator, convenor, collaborator

"Developing value" (Schwandt & Gates, 2021)

45

HOLDER OF A TRUSTED PROCESS
To result in a more **legitimate** VFM assessment of a complex intervention, the evaluator is responsible for **holding a trusted process**

What does the evaluator have to successfully hold in balance?	SELF	PURPOSE	PEOPLE	PRACTICALITIES	PEN
	To hold oneself with **integrity** and conduct a **principled and ethical evaluation**	To hold (sometimes competing) **visible purposes** (such as commissioning intent) with **deeper purposes** (e.g., evaluation as systems-change)	To hold stakeholders' **views, values and journey** to reach a **greater and shared understanding** (not only of VFM but of the system etc.)	To hold the responsibility to deliver the evaluation under **practical constraints** (time, budget, politics etc.)	To hold the pen and write up **clear, justifiable and trustworthy judgements**
What does this require of the evaluator?	Requires **reflexivity, careful positioning** as **trusted companion** rather than expert, **practical wisdom** Easier when the evaluation can **align with personal values**	Requires **evaluator agency and authority** to navigate purposes and **negotiate boundaries**	Requires evaluator to **facilitate a delicate dance** of **diverging perspectives** Requires **capability-building** for people to engage with each other and wider evidence	Requires the ability to **balance principles with pragmatism**	Requires **technical skills** to ensure **transparency, conceptual clarity**, and **resonance** with stakeholders
What can this result in?	Evaluator finds their work **meaningful**	**Evaluation becomes systems change** where people understand and shift knowledge and values together		**Legitimate evaluation judgements** that can be used for learning and decision-making	

Source: Peterson, 2026. *Value for money on rough ground: Rethinking economic evaluation for complex and systems-change initiatives*. Doctoral Thesis. University of Bath.

46

Discussion – in pairs:

Think of a systems-change initiative you have evaluated or have knowledge of…

What was the value proposition of the initiative? How was it intended to create societal value?

What are the key challenges of assessing its value for money?

As an evaluator, would you be comfortable to take on the role of “trusted process holder”? Why / why not?

47