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The three papers in this edition of the journal include two papers which are contributing to the Journal's international ambitions. They also widen the potential impact that the journal aims to make in terms of finance and management in the UK public service by providing readers with the opportunity to make international comparisons with their own situation. The first of the two international papers explores factors underpinning the contracting out of public services in Italy while the second attempts to discover explanations for variations in capital asset volumes in Swedish local government. The final UK based paper explores the topical concept in current public sector budgeting practice with services under severe resource pressure of devolving budgets and budget decisions by offering a framework for conducting an evaluation of such practices. These articles are now discussed in more detail.

The article by Alessandro Sancino and Mariafrancesca Sicilia explores how the role of the purchaser is exercised in local government when they contract out the delivery of public services in Italy. In particular, the article tries to identify which practices are applied when public services are being contracted out. Specifically the paper investigates how the role of "purchaser" is managed such situations. The study is based on the analysis of two services offered by three local governments in Italy. The paper argues that transactional and relational contracting may be described as two poles of a continuum; accordingly, the crucial issue becomes identifying which is the right point (or the right mix) in a unique continuum for every outsourcing situation. This depending on a balance of various factors, such as the type of service, the type of provider and the need to recognise various relevant contextual factors. The paper demonstrates with empirical evidence that the relational and transactional approaches are not substitutes for one another but are both useful in contracting out decisions.

In his paper Jonas Fjertorp investigates explanations of the variation in the development of capital asset volume between Swedish local governments 1999–2008 and the reasons under pinning the variations discovered. A number of hypotheses are developed and tested in this paper. Using a national dataset for Swedish local government a multiple linear regression analysis was performed and this indicates that four significant explanatory factors explain 42 % of the variation. Increasing capital asset volume could be explained by population growth, high per capita capital asset volume at the beginning of a period, high solidity at the beginning of a period, and increasing tariffs. Decreasing capital asset volume could be explained in the opposite way. From a new political economy perspective, the major finding is that politicians tend to adjust the service capacity of capital assets to the population size of the municipality. They tend to use all available resources for their capital investment activities to maintain or improve the services provided by the capital assets, as long as doing so complies with sustainable economic conditions.

Finally Ruth Hamson and Jim Bird presents a new conceptual framework for devolved budgeting in the public sector which is offered as a consultancy tool for evaluating the efficacy of an existing budgeting system. The paper covers a systematic literature review using an interpretive approach which yielded a number of emergent themes. This resulted in the proposal of a new framework suggesting that budget management is influenced by three main elements: control, performance and people, all of which are governed by organisational culture. The application of this framework creates a relevant and focused approach for conducting an evaluation, reflecting commonly cited issues within a set of established boundaries.

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