**ABSTRACT**

Until recently, innovation was associated only with the business sector. In recent years a noticeable interest in innovative management has also appeared in public organizations, including local administration. The analysis showed the innovative model of public management is characterized by a high capacity for multi-faceted and multilevel problem solving governance. Then it was shown that the orientation of innovation is closely linked with the need to match the competence of officials at all levels to the changing expectations of citizens and customers.