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DEMOCRATIC PUBLIC SERVICES PUTTING THE PUBLIC BACK INTO PUBLIC SERVICES

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ABOUT THINKLABOUR

ThinkLabour is a new strategic force dedicated to generating the bold ideas, political strategy and public insight needed for Labour to govern confidently and win the next general election. We are a forward-facing think tank, looking ahead to meet the challenges of rapid social, economic and technological change with new, creative solutions.

EXECUTIVE SUMMARY

“The Labour Party is a democratic socialist Party. It believes that by the strength of our common endeavour we achieve more than we achieve alone, so as to create for each of us the means to realise our true potential and for all of us a community in which power, wealth and opportunity are in the hands of the many not the few ... and high-quality public services where those undertakings essential to the common good are either owned by the public or accountable to them”

- Clause IV: Aims and Values, Labour Party Rule Book

As the government looks for a new direction, public services will be key to how the public perceive any change. Public services have improved since the 2024 General Election - for example reducing waiting lists. But there has been no clear theory of how to improve services - with contrasting approaches in different policy areas like health, police or education. This timidity about articulating a vision of public services across different policy areas has left public service providers, civil society and the wider public unsure as to what the government is aiming for. This hinders the government’s political and policy agenda to improve public services.

But there are some bright spots that could be the basis of a new clearer approach. For example, bringing NHS England back into central government and giving mayors more powers is an example of increasing democratisation. There is also an emerging theme around devolution for mayors and the Test, Learn and Grow programme. And digitisation has been a big theme across all areas like innovations in the NHS app as well as proposals for Digital ID.

This approach can be summarised as the 3 Ds as we look towards the 2030s: Democratised, Devolved and Digitised. And it can be contrasted with the 3 Ms of the 1980s ‘New Public Management’: Markets, Managers and Measurement.

If democratic socialism means anything, it is that people must work together to improve things. In some areas of life that means community groups and other voluntary associations. But for a lot of areas, it means we must inject some democracy into how decisions are made. High quality public services, delivered for the common good, are foundational to the Labour Party. And More in Common found that Labour voters from 2024 are most likely to say the party is at its best when it is improving public services. The 1945 government best established this principle with the National Health Service, but it also extends to areas like education, police and beyond.

However, since the 1980s, this democratic principle has been rolled back in favour of market accountability and regulation. Private provision can

[1. UCL.AC.UK/POLICY-LAB/SITES/POLICY_LAB/FILES/UCL_POLICY_LAB_AND_MORE_IN_COMMON_-_WHATS_CHANGED_-_JULY_2025.PDF](#)

often work well - for example no one is arguing for a state run airlines, car manufacturers or bookies as we have seen in the past - but we must be clear about the costs and benefits of replacing democratic control with market control.

A synthesis which puts accountability back with the people and their elected representatives can be complemented by the scaling, user access and analysis allowed by technological advances as well as the decentralised responsibility in places that tackling complex problems requires.

The rest of the paper explores some of the recent history of public services thinking, the challenges faced, why the 3 Ds approach summarises a way forward and what the policy implications might be in different areas.

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NEW PUBLIC MANAGEMENT: SUCCESSES AND FAILURES

New Public Management (NPM) is an approach to running public services that has been used since the 1980s - particularly by the Thatcher government - to make public service more “businesslike” and to improve efficiency by using private sector management models.²

NPM describes a collection of concepts and principles in line with this, relating mostly to financial control, value for money, choice, markets, efficiency and setting targets. NPM’s focus has been described as following 3 Ms: Markets, Managers and Measurement.³ The idea was that with the right incentives and monitoring, public sector managers would act in their own self interest - just like private sector managers do - and public service improvements would follow as a result. This was married with a focus on choice and markets so that public sector managers or individuals could ‘shop around’ in an attempt to bring the market mechanism to bear.⁴

This had some benefits. In the New Labour era in particular, the combination of increased funding and NPM techniques did see reductions in hospital waiting times, in crime and improvements in school attainment. Though it is difficult to attribute causality fairly between increased funding and reform.⁵ Some of this is likely down to the targets set by the government, but given that NPM predated New Labour it could be fair to say that the funding increases were the decisive factor.⁶

By the end of New Labour’s time in office, there was a recognition that NPM had run its course. As others like IPPR and Demos have identified, NPM is fine when dealing with simple problems at volume - but not as good at dealing with ‘complex’ or ‘wicked’ problems as they relate to individuals, families or places.⁷

NPM is effectively a Fordist model - get people in the system, give them the same treatment and then move on. But people are not cars. And public services are less amenable to the market mechanism too. Particularly in terms of failure - we are not willing to see public services fail so market mechanisms are never going to suffice.

Focusing on the NPM model meant that more complex issues were relatively neglected. It is possible to design a national approach to deal with homelessness - as was done under New Labour. But the experience from that era is that working with and through local public and third sector institutions is key: housing circumstances, costs and issues vary so much by place and

2. [HTTPS://JOURNALS.OPENEDITION.ORG/OSB/1759](https://journals.openedition.org/osb/1759)

3. [HTTPS://DEMOS.CO.UK/WP-CONTENT/UPLOADS/2024/05/TASKFORCE-VISION-PAPER_MAY.PDF](https://demos.co.uk/wp-content/uploads/2024/05/TASKFORCE-VISION-PAPER_MAY.PDF) / [HTTPS://JOURNALS.OPENEDITION.ORG/OSB/1714](https://journals.openedition.org/osb/1714)

4. EVEN THE TERM ‘INDIVIDUAL’ IS A CONTESTED ONE IN THIS SPACE. SHOULD PEOPLE USING PUBLIC SERVICES BE TREATED AS ‘CUSTOMERS’, ‘SERVICE USERS’, ‘TAXPAYERS’, ‘CITIZENS’ OR SOMETHING ELSE? THE ANSWER TO THIS QUESTION REVEALS A LOT ABOUT THEORIES OF PUBLIC SERVICE IMPROVEMENT.

5. [HTTPS://WWW.IPPR.ORG/ARTICLES/GREAT-GOVERNMENT](https://www.ippr.org/articles/great-government)

6. OR PERHAPS OTHERWISE THE RELATIONSHIPS WITH UNIONS ALSO HELPED LABOUR GOVERNMENTS TO REFORM SERVICES WORKING WITH STAFF.

7. [HTTPS://WWW.IPPR.ORG/ARTICLES/GREAT-GOVERNMENT](https://www.ippr.org/articles/great-government) / [HTTPS://DEMOS.CO.UK/RESEARCH/LIBERATED-PUBLIC-SERVICES-A-NEW-VISION-FOR-CITIZENS-PROFESSIONALS-AND-POLICY-MAKERS/](https://demos.co.uk/research/liberated-public-services-a-new-vision-for-citizens-professionals-and-policy-makers/)

from person to person that it will need to be developed by and with places and then delivered through those same channels.⁸ Similarly, New Labour era improvements in educational attainment – particularly in London – seem to be a result of national initiatives around literacy and numeracy applied locally alongside other London specific factors.⁹

Even when it comes to the areas that NPM deals with well, problems develop. For example, the focus on targets and incentives could lead to perverse outcomes. In the NHS there is some evidence that hospitals responded to waiting-time targets by prioritising low-complexity cases and deferring urgent but longer treatments, resulting in hidden queues and uneven care quality. It effectively opened up the opportunity for “gaming” behaviours, with staff focusing their efforts on the measurable goals at the expense of wider benefits.¹⁰

Such behaviours have also been evident in attempts at public-private partnerships in core public services. Where outcomes are complex or delivery requires constant innovation, it is not possible to specify good contracts with the private sector. Running a hospital with patient outcomes is not as simple as building a road and counting the number of drivers on it.

New Labour made two interesting changes in the Brown era that reflected a needed change in emphasis. Firstly, the trialling of ‘Total Place’ which aimed to connect up public service budgets in areas so that professionals could deal with the problems that were falling between the gaps. Secondly, with the enabling legislation for Combined Authorities. These allowed local authorities to come together to tackle challenges across larger areas – collaborating as a new tier rather than creating a whole new separate tier as the devolution of the early Blair era had done in London.

Together these two changes created the foundations for a more public orientated and collaborative model for public service reform.

2010 therefore marks a bit of a fork in the road. Building on the innovations above, the 2020 Public Services Commission reporting that year set out an agenda centred around a “socially engaged, locally empowered” model that would take the above innovations forward for the next decade. It suggested a shift in culture, power and finance would improve social productivity through engagement with communities in service delivery.¹¹

However this road was not taken. The Conservatives came to office promising a ‘Big Society’ that would step up as the state rolled back. And the Coalition government cut back public spending in expectation. But cuts ‘holed it beneath the water line from the start’ so that this did not materialise in most areas.¹²

8. [HTTPS://HISTORYANDPOLICY.ORG/POLICY-PAPERS/PAPERS/NEW-LABOUR-AND-STREET-HOMELESSNESS-1997-2010/](https://historyandpolicy.org/policy-papers/papers/new-labour-and-street-homelessness-1997-2010/)

9. [HTTPS://ASSETS.PUBLISHING.SERVICE.GOV.UK/GOVERNMENT/UPLOADS/SYSTEM/UPLOADS/ATTACHMENT_DATA/FILE/321969/LONDON_SCHOOLS_-_FINAL.PDF](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/321969/LONDON_SCHOOLS_-_FINAL.PDF)

10. [HTTPS://WWW.HEALTH.ORG.UK/FUNDING-AND-FELLOWSHIPS/PROJECTS/USING-AND-REMOVING-NATIONAL-PERFORMANCE-TARGETS-IN-THE-NHS](https://www.health.org.uk/funding-and-fellowships/projects/using-and-removing-national-performance-targets-in-the-nhs) / [HTTPS://WWW.THELANCET.COM/ARTICLE/S0140-6736\(07\)60763-6/FULLTEXT#:~:TEXT=10%20YEARS%20OF%20NEW%20LABOUR,HANNAH%20BROWN%20REPORTS.](https://www.thelancet.com/article/S0140-6736(07)60763-6/fulltext#:~:text=10%20years%20of%20new%20labour,Hannah%20Brown%20reports.)

11. [HTTPS://WWW.PROGRESSIVE-POLICY.NET/DOWNLOADS/FILES/THE-2020-PUBLIC-SERVICE-COMMISSION-TEN-YEARS-ON.PDF](https://www.progressive-policy.net/downloads/files/the-2020-public-service-commission-ten-years-on.pdf)

12. [HTTPS://WWW.PROGRESSIVE-POLICY.NET/DOWNLOADS/FILES/THE-2020-PUBLIC-SERVICE-COMMISSION-TEN-YEARS-ON.PDF](https://www.progressive-policy.net/downloads/files/the-2020-public-service-commission-ten-years-on.pdf)

In terms of the late New Labour innovations above, Total Place was unfortunately abolished by the Coalition government not long after being established. More fortunately, the Combined Authority model survived and has had some notable public service innovations since its creation - not least the focus on homelessness in Greater Manchester, early years in South Yorkshire or child poverty in the North East.

One of the claimed successes from the Conservatives 2010-2024 period in office is in terms of schools reform. This is therefore worth some consideration. School standards have increased as measured by PISA, but inequality remains.¹³ Structurally, the key changes were to accelerate the New Labour process of academisation (giving schools independence from local authorities) and also allow the creation of new 'Free Schools' within a national standards system. School funding was relatively protected too - at least compared to some other areas. This suggests that some form of decentralisation within national frameworks can have benefits. Academically, the DfE pushed the use of phonics in England - which has seen to have had a benefit compared to the approaches in Scotland and Wales - showing how devolution can provide a testing ground for what works (and what doesn't). The jury is out on which of these factors was most important.¹⁴

Minor successes notwithstanding, the past decade has been almost a complete lost decade for national public service reform - with central government tied up in Brexit, Covid and other crises.

Looking back over recent history, the failures of the current model are evident. Wicked problems require different ways of working. Places differ requiring local knowledge. And complex outcomes require innovation that most often requires public sector control.

People voted for the new government in 2024 because they wanted to see an improvement in key public services like health, the police and education but also more broadly in bins, libraries, parks and other areas.

Progress has been made since July 2024. For example, by increasing funding for public services in the 2025 Spending Review, abolishing NHS England, giving mayors more influence over public service reform and proposing significant reform to the police.

But the principles of 'integration', 'prevention' and 'devolution' set out in the Spending Review have not been animating force of public services agenda. And different departments seem to be pulling in different directions - where MHCLG have said that public service boundaries should align with mayoral areas, it is not clear that DHSC or the Home Office got the memo.

And overall, the three principles set out in the Spending Review are not a clear break from the NPM model utilising marketisation that has run out of road. A new approach is needed.

13. [HTTPS://IFS.ORG.UK/PUBLICATIONS/STATE-EDUCATION-WHAT-AWAITS-NEXT-GOVERNMENT](https://ifs.org.uk/publications/state-education-what-awaits-next-government)

14. [HTTPS://EDUCATIONENDOWMENTFOUNDATION.ORG.UK/EDUCATION-EVIDENCE/TEACHING-LEARNING-TOOLKIT/PHONICS](https://educationendowmentfoundation.org.uk/education-evidence/teaching-learning-toolkit/phonics)

ONE PRINCIPLE: DEMOCRATIC PUBLIC SERVICES

If public service improvement cannot be driven by the market mechanism, then something else is required. Some people argue for technology or for devolution as the answer - and yes, these are part of it. But fundamentally, it is accountability to service users - via democracy - that is the guiding star sitting above these. The principle here is democratic control.

NPM approaches have not worked when they have been unable to see people and communities as they are, rather than as something to be simplified and moved through a system. Democratic control can be drawn in contrast to privatisation or democratic provision. Control puts people and their elected representatives in charge of deciding how publicly funded services should be delivered - rather than thinking that a public or private sector approach is automatically the best.

Here this is defined not just by voting, but also the involvement of elected politicians and citizens in the ongoing scrutiny and improvement of services.

Public services exist because people voted for governments that have enacted them. Their ongoing maintenance and support depends on the ballot box, nationally and locally, but it also depends on the myriad interactions between citizens and services that take place every day. These interactions are the means by which services should learn and improve bottom up - alongside the more top down reforms that politicians are elected on. But too often the focus is on the latter - thinking that reform only comes from experts or politicians. It is both the top down and the bottom up element that is necessary for public service improvement in a democracy.

In the absence of a market mechanism, national and local democracy combined with citizen voice has to be elevated in order to both keep a lid on costs and to drive up quality. Another term for this might be accountability - but this accountability must come through democratic means and new approaches. User choice alone via NPM has proved insufficient in securing high standards or equality. Aside from the inequality in access that user choice exposes, it leaves out the voices of service users, employees and their elected representatives from being active participants in service delivery and holding providers accountable.¹⁵ Different areas will need to try different approaches to see what works, but the engagement of citizens panels or assemblies should be considered alongside more traditional consultations or surveys.¹⁶

Democratic accountability and control means a healthy scepticism of profit businesses - especially where there is unlikely to be a competitive market with significant volume. This is for three reasons. Firstly, because for profit public service models have achieved limited results. Secondly, because for

15. [HTTPS://DEMOS.CO.UK/WP-CONTENT/UPLOADS/2024/12/THE-REFORM-DIVIDEND-FINAL-REPORT_DEC-2024.PDF](https://demos.co.uk/wp-content/uploads/2024/12/the-reform-dividend-final-report_dec-2024.pdf)
16. [HTTPS://DEMOS.CO.UK/WP-CONTENT/UPLOADS/2024/07/CITIZENS-WHITE-PAPER-JULY-2024_FINAL.PDF](https://demos.co.uk/wp-content/uploads/2024/07/citizens-white-paper-july-2024_final.pdf)

profit models require an increase in regulation in order to provide certainty to the private sector which stifles the very innovation we are looking for. And thirdly, because this combination of poor results, private profits and higher regulation has undermined people's faith that their taxes are going to fund frontline services across health, social care, prisons and other areas. The answer in most cases is likely to be a mixed economy of providers with an emphasis on not for profit models unless explicitly justified.

We can see, for example, how democratic mandates are leading to improvements in transport services at a local level in Greater London and Greater Manchester. These models put democratic control at the centre, with private involvement on terms set by the public sector through regular open competitions. With the right systems and data there is no reason why such a model will not work across public services - as is the case even in healthcare in countries like Denmark.¹⁷

17. [HTTPS://WWW.COMMONWEALTHFUND.ORG/INTERNATIONAL-HEALTH-POLICY-CENTER/COUNTRIES/DENMARK](https://www.commonwealthfund.org/international-health-policy-center/countries/denmark)

TWO METHODS: DEVOLUTION AND DIGITISATION

Technology has advanced significantly since the pandemic, let alone since the last time Labour was in office. And government has learned a lot about how to do digital change better - more GDS and less 'NHS IT system'. Aggregating data and the use of AI can support the delivery of better public services by simplifying access, giving professionals the information they need and generating new insights that were not possible before AI.

And whilst national public service reform has suffered, local innovations have developed to fill the gaps. National programmes such as Total Place, the Troubled Families Programme, Changing Futures and an interest in social impact bonds have galvanised a focus on outcomes in different places. Such programmes and ideas are a common theme of public service reform papers from the likes of Demos, IPPR, the Future Governance Forum and the Tony Blair Institute. A common factor to all of these is the idea of giving more autonomy to professionals or places to focus on what works - within a national setup.

The government has talked some of this language with Darren Jones outlining a 'move fast, fix things' approach that diagnosed two issues: lack of investment and lack of competition in services. The government's response to this is a digitised state that frees up public servants to focus on human interactions and a new consensus on what our public services are for.¹⁸

These intentions are good - but there are two missing elements from the diagnosis above. Firstly, we must recognise that any new consensus on public services will come from a democratic process as set out above - and that the Labour Party should be injecting the voice of users into services either directly or via elected representatives. And secondly, there was not enough recognition that devolution can be a solution. Not just in utilising local information and agency, but also to free up the national government to focus on the big things whilst local areas get on with fixing things for themselves.

Below I outline that these two methods could entail.

DEVOLVED

National command and control systems have proved insufficient to tackling our more complex problems. Though centralisation has been a common response to any issues, especially where the dreaded term 'postcode lottery' is invoked to suggest running things from Whitehall could have flattened out any differences between places. The case of the probation service is instructive. The Coalition government thought a centralised, privatised

17. [HTTPS://WWW.GOV.UK/GOVERNMENT/SPEECHES/MOVE-FAST-FIX-THINGS](https://www.gov.uk/government/speeches/move-fast-fix-things)

scheme would work just as well and more cheaply than the localised 35 different probation services.¹⁹ When it all collapsed, rather than return to the previous model, they centralised it into a National Probation Service.²⁰ A 2025 NAO report shows that outcomes continue to be poor, with a rise in offences.²¹ When things go wrong nationally, it is then difficult for ministers to give up power due to the fear of being seen not to care. But in many cases this is exactly what the government should do: to empower the people in communities who care the most.

A common feature of successful public service reform - whether schools or tackling homelessness - has been to empower smaller institutions and professionals to deliver for their users. Comparative research has shown that “a moderate degree of decentralisation reduces public spending on health care and increases life expectancy.”²² The Test, Learn and Grow approach being piloted by the government with places is an example of how this works - and could be a basis for a wider approach.²³

Services could be delivered through public bodies, charities, not for profits or businesses - the main point is to create the best outcomes at a reasonable cost - subject to democratic accountability and balancing the needs of users and workers as outlined above.

And in particular, institutions and places must be given the freedom to change their internal processes to achieve the outcomes they are seeking - with a more R&D approach to public services.²⁴ For example, centrally set targets are not good at dealing with complex problems as highlighted above. And local areas are able to break down the silos between policy areas to get at the problems which otherwise fall between the gaps.²⁵ This approach builds on Sam Freedman’s work discussing how mayoral combined authorities can push forward the public service reform agenda.²⁶

In a democratic and decentralised model, we should expect individuals, their councils and their mayors to be at the forefront of public service accountability. The implication of this will differ in different services. But a key barrier to this at the moment is the proliferation of public service delivery geographies and footprints such that people are unclear which area they live in and democratic institutions are unable to hold services accountable in their area.²⁷ To make this work, the implication is a radical reshaping of the state around local democratic boundaries at local or strategic authority level supported by a central state that encourages rather than controls.

Greater Manchester has arguably made bigger strides than any other area in terms of local public service improvement due to the co-terminous

19. [HTTPS://PUBLICATIONS.PARLIAMENT.UK/PA/CM5801/CMSELECT/CMJUST/285/28502.HTM](https://publications.parliament.uk/pa/cm5801/cmselect/cmjust/285/28502.htm)

20. [HTTPS://PUBLICATIONS.PARLIAMENT.UK/PA/CM201012/CMSELECT/CMJUST/519/51902.HTM](https://publications.parliament.uk/pa/cm201012/cmselect/cmjust/519/51902.htm)

21. [HTTPS://WWW.NAO.ORG.UK/PRESS-RELEASES/GOVERNMENT-MUST-ACTIVELY-MANAGE-PLAN-TO-BOOST-WEAK-PROBATION-SERVICE-PERFORMANCE/](https://www.nao.org.uk/press-releases/government-must-actively-manage-plan-to-boost-weak-probation-service-performance/)

22. [HTTPS://WWW.JSTOR.ORG/STABLE/48706098](https://www.jstor.org/stable/48706098)

23. [HTTPS://ANDREWGREENWAY.SUBSTACK.COM/P/FROM-METHOD-TO-MOVEMENT](https://andrewgreenway.substack.com/p/from-method-to-movement)

24. [HTTPS://WWW.BENNETTSCHOOL.CAM.AC.UK/BLOG/SOCIAL-RD/](https://www.bennettschool.cam.ac.uk/blog/social-rd/)

25. [HTTPS://TIAL.ORG/WP-CONTENT/UPLOADS/2026/01/DOSSIER-FOR-INSTITUTIONAL-INNOVATION-AT-HARVARD-JANUARY-2026-TIAL-1.PDF](https://tial.org/wp-content/uploads/2026/01/dossier-for-institutional-innovation-at-harvard-january-2026-tial-1.pdf)

26. [HTTPS://WWW.LABOURTOGETHER.UK/ALL-REPORTS/PUBLIC-SERVICE-REFORM-AND-DEVOLUTION](https://www.labourtogether.uk/all-reports/public-service-reform-and-devolution)

27. [HTTPS://WWW.INSTITUTEFORGOVERNMENT.ORG.UK/SITES/DEFAULT/FILES/2023-04/DEVOLVING-ENGLISH-GOVERNMENT.PDF](https://www.instituteforgovernment.org.uk/sites/default/files/2023-04/devolving-english-government.pdf)

boundaries that have enabled leaders to look across silos and create new models like the proposed ‘prevention demonstrator’.²⁸

This alignment of boundaries will support public understanding of who is responsible for what, help with greater efficiency – both in terms of potential cost savings but also in terms of potential upside benefits from policy innovation – and support democratic accountability. In the longer term, local and strategic authorities should have assigned or total control over more tax revenue streams to fund these services.

DIGITISED

AI capabilities are now embedded into every day systems that would have seemed like science fiction just five years ago. AI and data benefit from scale. That is why the government’s announcement of a system of a roadmap for modern digital government is so welcome.²⁹ Done right, including platforms like a new system of Digital ID, it can support public service delivery across the board – not just nationally but also locally.

For example, TBI have set out how Digital ID, modular public service platforms and a real time systems intelligence layers can help to bridge national insight with local decision making.³⁰ Some places are already setting up their own local data units focused on the public sector in places like London, Leeds and Manchester. Others are talking about ‘digital-era devolution’ that seeks to scale local innovation.³¹

In this context, central government should be thinking about ‘data as infrastructure’ which can enable other services to be run more efficiently.³² This might help support a patient record system for GPs, AI to support professional health diagnoses or teaching, and a simplified ID system that helps people to register for the right services like voting or paying taxes.

But such change needs to sit within the principle of democratisation set out above. Public service transformation has to happen in conjunction with service users and workers. Many people are rightly worried about the rapid change that technological advances might bring to not just their jobs but their lives in general.

This is why the digitisation of public services must be managed by the public sector – to balance the trade-offs that brings. For example, digital technology could reduce worker or local autonomy if it is focused on surveillance and targets rather than providing a platform for more localised delivery. And an engaged workforce is more able to achieve better outcomes; an unhappy workforce is more likely to strike.

28. <https://democracy.greatermanchester-ca.gov.uk/documents/s39943/7a%20prevention%20demonstrator%20live%20well%20and%20nhs%2010%20year%20plan%20icb%20reforms.pdf>

29. <https://roadmap-for-modern-digital-government.campaign.gov.uk/>

30. <https://institute.global/insights/politics-and-governance/public-service-reform-in-the-age-of-ai>

31. <https://operatingpatterns.org/paper/html/>

32. ‘PLATFORMLAND’, RICHARD POPE

THREE ISSUES: FUNDING, RIVAL MANDATES AND DIFFERING INTERESTS

The aim is democratised public services that perfectly manage the digital transition and devolution of power whilst remaining accountable to users and the workforce. But we must recognise that not everything will be perfect and some trade-offs will need to be made.

Firstly, I have not mentioned funding much up until this point. Each of the phases of public sector thinking have been accompanied by a similar view on the level of spending required. For example, Coalition era ‘Big Society’ thinking was inextricably linked to their cuts in state spending.

For a Labour government to achieve the aims set out here, there is a clear necessity for spending to be prioritised here - at least in the short term until efficiencies are realised - to build up the necessary national and local capabilities and to smooth the path of reforms. And some of this money must be assigned or raised locally - so that local democracy can function effectively.

Secondly, there is a tension to be managed between local and national democracy. One area’s “tailoring to place” is another’s “postcode lottery”. And sometimes there are tensions between democratic mandates at different levels, that within our constitutional framework of parliamentary sovereignty are usually reconciled in favour of central control.

Some reforms to strengthen the powers and funding of local and strategic authorities will need to be made to secure the foundations of local public service delivery. Without such change, there will not be enough certainty to get the benefits that local democratic accountability and delivery can achieve. As in other countries, the centre will need to persuade via funding or organisational capacity - rather than compulsion - if it wants places to participate in its designs. Or places can learn from each other if digitally enabled learning systems allow others to see what is working in different areas so that democratic pressure can lead to service improvements.

This will also require increased accountability and scrutiny mechanisms at a local level. Proposals here include the development of local accounting officers and local public accounts committees alongside increased transparency.

Thirdly, the interests of service users and the workforce will not always align. This was a key insight of NPM thinking that attempted to use markets, managers and measurements to bring private sector style mechanisms to bear on public service outcomes. This would give users the same choice as service users, that they have as consumers. But unlike consumption, people often do not have a different choice when it comes to services like health, education or the police. Their local public service is the one they have to use. And measuring the outcomes from public services is much more difficult than it is for private

sector enterprises. Recognising this is why democratic accountability needs to be put at the forefront of service improvement.

This means using the insights of users and the voices of elected politicians and others to improve services. To do so, requires transparency on outcomes and a culture of learning from mistakes. Professionals in these services do have an option to exit their jobs - but public sector leaders will need to design roles that attract people with the right skills and outlook that deliver better services. It requires consideration of the levels of tax and spend that we are willing to pay to attract individuals to deliver services.

Managing these tensions is the role of democracy. From where we are now, more funding is likely required, with more decentralisation and greater trust put in workforces. Given the implications of each of these, it is not something that can be completely contracted out or outsourced.

33. [HTTPS://WWW.ENGLAND.NHS.UK/LONG-READ/DIRECT-COMMISSIONING-UPDATE/](https://www.england.nhs.uk/long-read/direct-commissioning-update/)

34. [HTTPS://WWW.GOV.UK/GOVERNMENT/NEWS/HEALTH-DEVOLUTION-IN-GREATER-MANCHESTER-AND-SOUTH-YORKSHIRE](https://www.gov.uk/government/news/health-devolution-in-greater-manchester-and-south-yorkshire)

WHAT MIGHT THIS MEAN FOR DIFFERENT PUBLIC SERVICES?

Below I have identified what using the 3 Ds approach might mean for public service reform in individual areas. Fundamentally, the intention would be to break down such silos, but in order to get there the structures underpinning the current setup in each area must be updated. For individual policy areas, following the 3 Ds might then mean the following.

HEALTH AND SOCIAL CARE

Continue with abolition of NHS England to restore democratic accountability over the health system.

Also need to align local Integrated Care Systems (ICS) with Strategic Authority areas to create the conditions for local democratic accountability. This could include moving many services to control of ICBs as is already happening for some areas of public health and primary care.³³ In line with the pilots in Greater Manchester and South Yorkshire, ICSs should be chaired by a local Health and Social Care Commissioner appointed by the mayor to provide accountability and join up health related services with social care and public health in places.³⁴

Digital ID and other tech improvements can be a platform for easier access to services. As well as joining up data within the NHS, there is the scope to bring in other services like dentistry and social care which currently fall into other silos within the NHS app.

Frontline staff and their organisations (e.g. trusts) can then be given autonomy to deliver for people within this local and national democratic accountability.

This would create a mixed economy of not for profit health and social care providers, commissioned and accountable to local democratic leaders, supported by national funding and data systems.

EARLY YEARS AND SCHOOLS

Local structures and accountability need to be rationalised along democratic lines - with an Education Commissioner appointed by the Mayor in each strategic authority area to provide local democratic accountability for relevant public services.

Unique child identifiers should be used to help local and national institutions to support young people - and learn from data insights across the whole country. Organisations focused on standards like Ofsted should continue

33. [HTTPS://WWW.ENGLAND.NHS.UK/LONG-READ/DIRECT-COMMISSIONING-UPDATE/](https://www.england.nhs.uk/long-read/direct-commissioning-update/)

34. [HTTPS://WWW.GOV.UK/GOVERNMENT/NEWS/HEALTH-DEVOLUTION-IN-GREATER-MANCHESTER-AND-SOUTH-YORKSHIRE](https://www.gov.uk/government/news/health-devolution-in-greater-manchester-and-south-yorkshire)

to provide their assessments. But instead of the focus being on the school and national accountability, these assessments will be initially targeted at the local accountability structures and as an input into learning from what works across national data. Only where there are substantial failings across a whole area should central government be permitted to intervene.

Best Start hubs and childcare provision should be under the accountability of local or strategic authorities.

For schools, the model of different types of providers at the moment have proved a success in terms of standards but has done little to improve equality.³⁵ Further rationalisation might be needed to ensure local democratic accountability of admissions policies and other school related issues. School improvement models should be led by strategic authorities rather than DfE regions - with approaches to issues like behaviour being managed locally with support from national evidence bases.³⁶

SKILLS AND EMPLOYMENT

Skills and employment support services are currently a patchwork of national and local responsibilities depending on the policy area - further education is treated very differently to apprenticeships for example.

National democratic accountability for the whole system is needed when it comes to issues like qualifications which require validation across places. But local knowledge and accountability will be better at dealing with local labour market needs.

This means many responsibilities should be handed over to strategic authorities so that they can align them with other economic policies as part of their Local Growth Plans. This should include 16-19 education and FE colleges, which can then be managed alongside educational establishments as above.

It could also mean the Growth and Skills Levy being handed over to mayors so they can align college and apprenticeship offers with business and learner needs in their areas. For example, strategic authorities could fund early career apprenticeships for local employers, bite sized learning opportunities alongside employment or develop new ways of working.

This can be supported by national standards on qualifications and data gathering to understand what works and provide information to learners on different education and career options available to them through online portals.

POLICE AND CRIMINAL JUSTICE

The proposal in the Police Reform White Paper aims to create a national police force to go alongside local police forces.³⁷ This is the right direction.

35. [HTTPS://WWW.NUFFIELDFOUNDATION.ORG/NEWS/GOVERNMENT-REFORMS-ARE-FAILING-TO-TACKLE-EDUCATION-INEQUALITY](https://www.nuffieldfoundation.org/news/government-reforms-are-failing-to-tackle-education-inequality) / [HTTPS://IFS.ORG.UK/PUBLICATIONS/STATE-EDUCATION-WHAT-AWAITS-NEXT-GOVERNMENT](https://ifs.org.uk/publications/state-education-what-awaits-next-government)
36. TBI - TACKLING THE BEHAVIOUR CHALLENGE IN ENGLAND'S SCHOOLS

But local police force areas should be aligned to strategic authority mayors, with mayors becoming the Police and Crime Commissioner for their area as proposed by the government in late 2025. For example, West Yorkshire has shown how local innovation can reduce the waiting times for rape cases.³⁸

Local police forces should be complemented by a National Police Service which manages the largest and most complex cross-country issues drawing on national data insights.

Probation services should also be aligned with strategic authority areas in order to better support people into their communities given the importance of housing and employment support to reoffending. Greater Manchester has shown how this model can work well in reducing reoffending rates compared to similar areas.³⁹

Prison governors and their workforces should be given autonomy to work closely alongside strategic and local authority services like probation and public health - particularly in lower category prisons - with the aim of reducing reoffending rates.

Recent issues in the criminal justice system show that it is ripe for further digitisation to improve the functioning of the police, courts and prisons. One example of this is the BOLD programme. The National Police Service will also create the ability for specialist teams to work on the most complex cases requiring specialism in different areas.

37. [HTTPS://ASSETS.PUBLISHING.SERVICE.GOV.UK/MEDIA/69779267276692606C013862/260125_WHITE_PAPER.PDF](https://assets.publishing.service.gov.uk/media/69779267276692606C013862/260125_WHITE_PAPER.PDF)

38. [HTTPS://WWW.BBC.CO.UK/NEWS/ARTICLES/CDE42WDY2NK0](https://www.bbc.co.uk/news/articles/CDE42WDY2NK0)

39. [HTTPS://DEMOCRACY.GREATERMANCHESTER-CA.GOV.UK/MGCONVERT2PDF.ASPX?ID=39756](https://democracy.greatermanchester-ca.gov.uk/mgconvert2pdf.aspx?id=39756)

CONCLUSION

Elevating the democratic will of the people above other considerations is the cause of Labour in public services. New strides have been made towards achieving this, but further work is needed to ensure that there is both the national and local democratic structures in place that will ensure public services are accountable to the public that they serve. Others have called for a reassertion of 'democratic political power' - this must be the aim.⁴⁰

Combined with further devolution and digitisation, we will be able to tailor solutions to different people and places whilst being able to look across the population to garner new insights and see what works.

Fundamentally, the party believes that through democracy we can organise a society in which services are publicly purchased and made available to the people - as public services - as opposed to being accessible only to those with the means to afford them.

Together, the 3 Ds framework put forward here can be the engine of progress in our public services.

40. [HTTPS://WWW.FUTUREGOVERNANCEFORUM.CO.UK/WP-CONTENT/UPLOADS/2026/01/POWER-FAILURE-A-NEW-THEORY-OF-POWER.PDF](https://www.futuregovernanceforum.co.uk/wp-content/uploads/2026/01/POWER-FAILURE-A-NEW-THEORY-OF-POWER.PDF)