DEMOS

LIBERATED PUBLIC SERVICES

A NEW VISION FOR CITIZENS, PROFESSIONALS AND POLICY MAKERS

BEN GLOVER



MAY 2024

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ABOUT DEMOS

Demos is the UK's leading cross-party think tank producing research and policies that have been adopted by successive governments for over 30 years. We believe that the current system of policy-making isn't working. It's either too partisan to address the big underlying problems we agree on, or too technocratic to find solutions that resonate for all. Our systems aren't trusted to improve people's lives. At Demos we believe that there is a better way: one which puts people first to achieve fundamental and lasting change and overcome divisions. We call this collaborative democracy. As a genuinely cross-party think tank, we work with all parties and none to find solutions that work for more people.

Our work focuses on:

- More relational public services, that can empower communities and prevent problems.
- An inclusive economy, that benefits people more fairly.
- A healthier digital ecosystem, that protects and promotes digital rights.
- A trusted political system, that can tackle the big questions because it listens.

ABOUT THE FUTURE PUBLIC SERVICES TASKFORCE

Public services today face severe challenges. Yet as the country finally emerges from the shadow of the pandemic, we have a chance to reflect on what future we want for our public services.

Politicians are interested, with public service reform on the lips of those across the political spectrum once again. And away from Westminster, an exciting new public services paradigm has been sketched.

Yet the country lacks a national public service reform agenda and has done so for over a decade now. This is critical because there is no path to reforming our public services unless there is a clear vision from the centre, even if that vision involves delegating power to citizens, communities and professionals.

We will respond to that gap by producing a new cross-cutting public service reform strategy for central government. This strategy could be the starting point for the first cross-cutting public service reform White Paper since 2011.

The Future Public Services Taskforce is led and delivered by Demos, as part of our work on building more relational public services. It is funded by four organisations who sit on the Taskforce's Advisory Board:

- Big Society Capital.
- Bridges Outcomes Partnerships.
- CIPFA.
- PA Consulting.

They are joined by four external Advisory Board members:

- Lord Victor Adebowale, Chair of the NHS Confederation.
- Patricia Hewitt, Chair of NHS Norfolk and Waveney and Deputy Chair of the Norfolk and Waveney Integrated Care Partnership and former Secretary of State for Health and Social Care.
- Chris Naylor, former Chief Executive of Barking and Dagenham Council.
- Jonathan Slater, former Permanent Secretary at the Department for Education.

The views expressed throughout the work of the Taskforce are Demos' only and are not necessarily reflective of the views of the Advisory Board members or the organisations who fund the Taskforce.

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ABOUT THIS PAPER

This paper sets out a new vision for public services, inspired by the new public services paradigm which has emerged locally in the UK in the post-financial crisis era. We will then apply this vision to different cross-cutting policy themes as the work of the Taskforce progresses.

ABOUT THE AUTHOR

Ben Glover is the Head of Social Policy at Demos and leads the Future Public Services Taskforce.

ACKNOWLEDGEMENTS

I am incredibly grateful to our four funders who have made the Taskforce possible: **Big Society Capital**, **Bridges Outcomes Partnerships**, **CIPFA** and **PA Consulting**.

I am also grateful to the external members of our Advisory Board - Victor Adebowale, Patricia Hewitt, Chris Naylor and Jonathan Slater - and our external Policy Advisors - Patrick Diamond, Alex Fox, Noel Hatch, Catherine Needham, Anna Randle, Simon Parker and Caroline Slocock. I would also like to thank the attendees of a roundtable held to support the development of this paper.

I have also benefited significantly from a number of visits to inform the development of this paper. In Wigan, I would like to thank Wigan Council for hosting me, in particular Simon Howarth and James Winterbottom. I would also like to thank the charity Platfform for hosting me for a visit to Cardiff and Oliver Townsend in particular. The work of the Taskforce rests on innovative local practice that is happening across the country. I am incredibly grateful for all the time those working in public services have spared to assist me with this paper and, more importantly, to the crucial, inspiring work they do everyday, in often incredibly challenging circumstances.

Finally, at Demos I would like to thank my colleagues Andrew O'Brien, Billy Huband-Thomas, Polly Curtis and Chloe Burke for their ideas, assistance and guidance in developing this paper.

Ben Glover

May 2024

EXECUTIVE SUMMARY

The UK faces many grand challenges, from the climate crisis to a stagnant economy, a torn social fabric to an ageing society. This situation is sometimes called the 'polycrisis': we face several overlapping crises. At the same time, the state's fiscal firepower is heavily constrained; the era of low interest rates is over and the UK continues to face significant fiscal headwinds. Resolving this dilemma - enormous challenges yet constrained state resources - is perhaps the challenge of our times.

We believe public services could and should be enlisted in resolving this challenge, but today are in no fit state to do so. The crisis in public services is visible to everyone in Britain today. Waiting lists, crumbling buildings, exhausted professionals. This is affecting our wellbeing, our health and our economy. It's increasingly clear that Britain cannot get back on the right track without a public services renewal. The aim of the Future Public Services Taskforce is to help deliver that renewal. In this paper, the second paper of the Taskforce, we set out a vision for public service reform, which will guide the rest of our work. Why is a new vision necessary?

NEW PUBLIC MANAGEMENT, THE LAST NATIONAL VISION FOR PUBLIC SERVICE REFORM, HAS RUN ITS COURSE

The last national vision for public service reform was inspired by New Public Management (NPM) - a governing philosophy which sought to inject markets and private sector managerialism into public services. NPM's policy prescriptions have been described as the Three Ms: Markets, Managers and Measurement. Through Thatcher's 'Next Steps' initiative in the late 1980s, John Major's 'Citizen's Charter' and waves of reform under New Labour, this powerful vision shaped reform in the UK for decades, underpinned by a powerful cross-party consensus.

Over time, however, the limitations of this agenda have become clear. First, we have seen the effectiveness of its policy prescriptions weaken. Targets have been shown to lead to extensive gaming; markets have been very challenging to build in public services. Second, NPM-style approaches are often effective, at least for a period, at dealing with clear and/or diagnosable problems (for example, a routine operation). However, it has proven less effective at dealing with more complex, multifaceted challenges (for example, obesity or poverty), where presenting 'problems' are often symptoms, not root causes. Third, it has led to unintended consequences, from demoralised, exhausted workforces to the deepening of service delivery siloes. It's clear that we need a new approach.

WE HAVE NOT MOVED TO A NEW NATIONAL VISION, BUT A REVOLUTION IN THINKING HAS HAPPENED LOCALLY

We have not seen a move to a new, coherent *national* vision for public services. The last cross-cutting public service reform strategy for the UK was the Coalition Government's *Open Public Services* agenda, launched in 2011 and killed a few years later when the 'Big Society' agenda was ditched. There have been piecemeal attempts to reform individual public services nationally, but there has been no shared version animating such changes. This means that any attempts to reform one service are inevitably undermined by a lack of alignment in other services.

¹ Louise Dalingwater, « Post-New Public Management (NPM) and the Reconfiguration of Health Services in England », Observatoire de la société britannique, 16 | 2014, 51-64.

However, during the same period without a clear national vision, we have seen a revolution in thinking at a local level. Often responding to external pressures, such as austerity, councils, charities and delivery organisations have been experimenting with a new approach across the country. This has challenged many of the key tenets of New Public Management, primarily:

- Designing for complexity, instead of assuming the world is simple and linear.
- **Understanding human behaviour as intrinsically motivated**, rather than just responding best to external motivators, for example punishments and rewards (e.g. targets, sanctions etc).
- Building resilience to unlock prevention, not always seeking to deliver more efficiency.
- Experimentalism, not command and control.

A NEW NATIONAL VISION: LIBERATED PUBLIC SERVICES

Inspired by that local revolution, we set out a new national vision for public services, which we call *liberated* public services. Inspired by Gateshead Council's pioneering work on the 'liberated method', we call for public services to be liberated from New Public Management across four domains:

- **Citizens** are liberated to bring their whole selves to services and seen as a resource to be worked with, not a problem to be fixed.
- **Professionals** are liberated from tight specifications defined from the centre.
- Communities are liberated to partner with public services, whether formally or informally.
- Policy makers in central government ministers, advisors and civil servants are liberated from day-today micromanagement of services and providers to a broader, strategic role supporting learning and best practice.

How to deliver this vision in practice? We describe a set of principles, summarised in the table below and explored in greater detail later in this paper.

TABLE 1THE PRINCIPLES OF LIBERATED PUBLIC SERVICES: DELIVERING A NEW VISION FOR CITIZENS, SERVICES AND THE CENTRE

PRINCIPLE	MEANING	RATIONALE
THE CENTRE: A NEW RELATIONSHIP BETWEEN CENTRAL GOVERNMENT AND THE DELIVERY OF PUBLIC SERVICES.		
Principle 1: Mission-driven public services	National politicians set broad missions, giving directionality to public service ecosystem	Shift from target culture to liberate professionals, but still track impact of services through a focus on shared outcomes
Principle 2: Respect for public service professionals	Financial and non-financial steps are taken to ensure public service professionals feel respected	Unlock 'intrinsic motivation' of public service professionals
Principle 3: Devolution and alignment	Devolve design and delivery responsibilities to the lowest appropriate level - but crucially ensure this is aligned geographically	Unlock service integration (see below) To encourage experimentation and innovation, shaped around local and citizen need

SERVICES: A NEW RELATIONSHIP BETWEEN DIFFERENT PLACE-BASED PUBLIC SERVICES		
Principle 4: Service integration	Services are designed around the individual, not structured in accordance with existing delivery siloes rather than structured around delivery siloes	Complex systems affect people's lives, meaning siloed delivery fails
Principle 5: Peer-to-peer learning	Insights and learnings are shared between different services operating in a place, and where relevant shared nationally	The adaptive nature of complexity means services must experiment and innovate; it's crucial the lessons from these innovations are effectively disseminated
Principle 6: Collaboration between different providers	Providers work together and join- up, rather than 'competing' for 'customers'	Competition between different providers produces undesirable consequences Supports service integration (see above)
Principle 7: Join-up public services with wider social and economic policy	Integration and alignment of public services with wider social and economic policy	Foundational factors drive demands for public services; they must work in concert together
CITIZENS: A NEW RELATIONSHIP BETWEEN CITIZENS AND PUBLIC SERVICE PROFESSIONALS		
Principle 8: Professionals are freed to experiment in line with local variation and citizen need	Shift from compliance-intensive regimes to looser frameworks which support professional liberation	Experimentation and innovation of service design and delivery, to suit citizen and local needs, drives improvement in services
Principle 9: Strengths-based approach	A shift from 'deficit model' approach which limits effectiveness of services	Unlocking citizen resources to support service delivery
Principle 10: Services designed with citizens, through co-production and participation	Co-production is the involvement of service users in the design and delivery of public services Participation in this context	Unlocking citizen resources to support service delivery Alternative to market mechanism to drive service improvements

Source: author's analysis, inspired by Hood's account of New Public Management²

 $^{2\}quad \mathsf{HOOD,C.}\ (1991), A\ \mathsf{PUBLIC}\ \mathsf{MANAGEMENT}\ \mathsf{FOR}\ \mathsf{ALL}\ \mathsf{SEASONS?}.\ \mathsf{Public}\ \mathsf{Administration}, 69:\ 3-19.\ \mathsf{https://doi.}\ \mathsf{org/10.1111/j.1467-9299.1991.tb00779.x}$

A NEW THEORY OF CHANGE FOR PUBLIC SERVICES

Crucially we believe the principles of liberated public services amount to a coherent and powerful theory of change. This is necessary for developing any credible alternative; it must be able to answer the question, "how will this system over time deliver improvements?". NPM had a powerful answer to this question - combine private-sector management approaches with the creation of markets. Any credible alternative must also provide a credible theory of change. As summarised in the box below, we identify three core drivers of service improvement under liberated public services.

TABLE 2IMPROVEMENT DRIVERS IN NPM VS LIBERATED PUBLIC SERVICES

NPM IMPROVEMENT DRIVERS	LIBERATED PUBLIC SERVICES IMPROVEMENT DRIVERS
 Command and Control, e.g. targets, sancti compliance regimes Market mechanisms 	 Missions provide directionality to overall system Motivation of citizens and professionals unlocked through liberated approach
	 Experimentation drives innovation in service delivery, in accordance with local variation and need

Source: author's analysis

A NEW WAY OF DOING PUBLIC SERVICE REFORM

Liberated public services also demands a **new way of doing public service reform.** Too often public service reformers have sought to impose a uniform vision from the centre; this is indeed how New Public Management was rolled out in the UK and internationally.

This tends to fail for three reasons. First, such visions are inevitably dramatic oversimplifications. As James C. Scott describes in his seminal account of failures of state planning, Seeing Like a State, such simplifications fail to reflect the nuance and complexity of reality. This means they collapse, unable to understand reality. Second, top-down, centrally-imposed visions limit the ability for local variation in accordance with civil society, which varies in different places, and citizen needs, which can also be expected to vary significantly; what works in Wigan might not work in Worcester. Third, those working in the centre are inevitably behind future practice. The centre can never truly keep up.

Liberating public services will require the central state to think less about imposing a view from Whitehall and instead ask itself: how can it provide the conditions for public service renewal across the country? This adds up to a different philosophy for how services should be reformed; one that respects local practice and communities, seeing the solutions as already out there, not to be imposed in line with utopian thinking from the centre.

In doing so, it demands a new role for the centre in public service reform, which we will develop further as the Taskforce progresses. **This will encompass:**

- Devolution and rationalisation
- Accountability
- Supporting the workforce
- Disseminating learning and best practice

INTRODUCTION

Our public services crisis is visible to everyone in Britain today. Waiting lists, crumbling buildings, exhausted professionals. This is affecting our wellbeing, our health and our economy. It's increasingly clear that Britain cannot get back on the right track without a renewal of our public services.

This crisis has many roots; they can be found in our economy, politics and society. But there is another, often overlooked, cause: an intellectual crisis in how public services should be governed and managed. We are living through an era in which New Public Management, the last dominant public services paradigm, is breaking down all around us, but we have not yet transitioned to a new paradigm. We live in 'transition times' and as Phil Tinline describes in his recent history of Britain in the era of mass democracy, moving from one political and economic paradigm to another is turbulent and messy.³

Two distinct intellectual currents drove the New Public Management paradigm. First, new institutional economics, which advocated for the application of consumer choice and market thinking to public services. Second, a belief in importing private sector managerialism and practices to the public sector, to make the public sector more 'entrepreneurial'.⁴ NPM's policy prescriptions were often described as the Three Ms: Markets, Managers and Measurement.⁵

Through Thatcher's Next Steps initiative in the late 1980s, John Major's Citizen's Charter and waves of reform under New Labour, this powerful agenda shaped reform in the UK for decades, underpinned by a powerful cross-party consensus. Over time, however, major issues and weaknesses of this approach have become apparent. First, we have seen the effectiveness of its policy prescriptions weaken. Targets have been shown to lead to extensive gaming; markets have been challenging to build and/or sustain in public services. Second, NPM-style approaches are often effective, at least for a period, at dealing with clear and/or diagnosable problems (for example, a routine operation). However, it has proven less effective at dealing with more complex, multifaceted challenges (for example, obesity or poverty), where presenting 'problems' are often symptoms, not root causes. Third, it has led to unintended consequences, from demoralised, exhausted workforces to the deepening of service delivery siloes.

Indeed, the Lansley reforms of the NHS were the last national 'truly-NPM' reforms, changes now largely unpicked by the Health and Care Act 2022. This pattern is repeated in other public services: probation renationalised following the failure of the Transforming Rehabilitation reforms; rail services gradually renationalised after privatisation in the 1990s. Yet despite this, we have not seen a move to a new, coherent national vision for public services. The last cross-cutting public service reform strategy for the UK was the Coalition Government's *Open Public Services* agenda, launched in 2011 and lasting only a few years when the 'Big Society' agenda was rolled back.

So the limitations of the current approach to public service delivery have become more and more apparent by the day; yet we have failed to transition, at least at a national level, to a new operating model for public services. We believe one reason why is the lack of a credible, coherent and complete alternative. This report seeks to define this alternative and, crucially, to show its rigorous intellectual foundations and how it coheres as a system. In doing so, we are greatly indebted to other recent attempts to develop the concept of a 'new paradigm' in public services, both at Demos and elsewhere, including the Centre for Impact, Collaborate CIC, the IPPR, New Local, the RSA and many others, not least Hilary Cottam.

³ Phil Tinline, Death of Consensus (2022), C Hurst & Co Publishers Ltd.

⁴ HOOD, C. (1991), A PUBLIC MANAGEMENT FOR ALL SEASONS?. Public Administration, 69: 3-19. https://doi.org/10.1111/j.1467-9299.1991.tb00779.x

⁵ Louise Dalingwater, « Post-New Public Management (NPM) and the Reconfiguration of Health Services in England », Observatoire de la société britannique, 16 | 2014, 51-64.

This has been developed in dialogue with the exciting new paradigm that has emerged locally. In councils and charities across the country - many showcased in this paper - an exciting alternative has been developed. Painstakingly developed, often in response to the pressure of spending cuts, we have seen a revolution in thinking. Our overall message is that the national needs to urgently catch up with the local; not because local innovators are completely reliant upon the national, but because if the two work in partnership, the prospects for a public services renewal are much brighter.

CHAPTER 1 LIBERATED PUBLIC SERVICES - A NEW VISION FOR PUBLIC SERVICES

Western democracies are in crisis, facing a number of significant challenges; a collection of problems sometimes dubbed the 'polycrisis'. Yet states do not appear to have access to significant additional resources to resolve these crises, given significant fiscal headwinds and the end of the era of low interest rates. In this paper we argue that public services should be enlisted in resolving this dilemma. Doing so requires two major shifts away from New Public Management:

- Shift 1 From efficiency to missions: a new purpose for public services.
- Shift 2 Partnering with citizens, communities and professionals to deliver those missions.

SHIFT 1: FROM EFFICIENCY TO MISSIONS - A NEW PURPOSE FOR PUBLIC SERVICES

NPM-style reforms often sought to cast their approach as neutral and apolitical. As Christopher Hood describes in his seminal account of NPM, this approach:

"...claimed to be an 'apolitical' framework within which many different values could be pursued effectively. The claim was that different political priorities and circumstances could be accommodated by altering the 'settings' of the management system, without the need to rewrite the basic programme of NPM."⁷

This vision for public services arose from the political conditions of the late 1980s and early 1990s; the idea that the big issues in politics and ethics had been resolved; that there was one correct way of doing things and that this had triumphed above all. This is often called universality: the idea that the same principles and answers apply everywhere. This gave reforms a very broad appeal, as Hood describes:

⁶ Adam Tooze. Welcome to the age of polycrisis. Financial Times, 2022. Available at: https://www.ft.com/content/498398e7-11b1-494b9cd3-

⁷ HOOD, C. (1991), A PUBLIC MANAGEMENT FOR ALL SEASONS?. Public Administration, 69: 3-19. https://doi.org/10.1111/j.1467-9299.1991.tb00779.x

"That framework was not, according to NPM's advocates, a machine exclusively tunable to respond to the demands of the New Right or to any one political party or programme. In this respect, NPM followed the claims to universality of traditional Public Administration, which also purported to offer a neutral and all-purpose instrument for realizing whatever goals elected representatives might set."

This was indeed borne out, with NPM-style reforms enthusiastically implemented by a wide range of political parties globally, including from centre-left governments, as in New Zealand and the United Kingdom.⁹

However, this strive for neutrality in public service delivery came with significant downsides. This includes a narrowing of ambitions for public services. Instead of enlisting public services to cooperatively solve the grand challenges of the day, this mindset has left public services retreating to striving for simply more and more efficient services. As Charles Sabel describes, "A consequence—for some reformers the very purpose—of these reforms is a reduction in the scope of government itself". ¹⁰ This mindset is out of step with the polycrisis era. We need a broader, more ambitious goal for public services today, beyond simply making services more efficient. We need to enlist public services in solving the grand challenges of our era. We will explore how to achieve this later in this paper, through the use of missions.

SHIFT 2: PARTNERING WITH CITIZENS, PROFESSIONALS AND COMMUNITIES TO DELIVER THOSE MISSIONS

There is a strong case for moving beyond efficiency as the purpose of public services, towards solving wider grand challenges. Yet governments are faced with increasing pressures on their finances, with the UK particularly affected by this. What role can public services play in resolving this tension?

Resource 1: Unlocking citizen capabilities

New Public Management-style public services have often operated in a 'deficit model'. That means that they tend to see problems, rather than strengths or opportunities. The standard New Public Management style approach can be stylised as shown in Figure 1.

FIGURE 1 STYLISATION OF NEW PUBLIC MANAGEMENT APPROACH

STEP 1

Identify a problem

STEP 2

Break that problem down into a smaller number of component parts

STEP 3

Develop
a service
specification for
each of those
problems

STEP 4

Commission an external provider

Source: author's analysis

⁸ HOOD, C. (1991), A PUBLIC MANAGEMENT FOR ALL SEASONS?. Public Administration, 69: 3-19. https://doi.org/10.1111/j.1467-9299.1991.tb00779.x

⁹ Simon Parker and Duncan O'Leary (2006), Re-imagining Government, Demos. Available at: https://demos.co.uk/wp-content/uploads/files/Re-imagining%20-%20web%20.pdf

¹⁰ Sabel, Charles F. "Beyond principal-agent governance: experimentalist organizations, learning and accountability." De Staat van de Democratie. Democratie voorbij de Staat. WRR Verkenning 3 (2004): 173-195

Under a 'deficit mindset', the citizen is viewed as the problem needing to be 'fixed' and/or is relatively disempowered from the process of service delivery, other than perhaps being able to choose who delivers the service to them; little more is expected from them as a passive recipient of services. We need a new relationship, in which the state and services see citizens as equal partners in the creation of public value.

This also means moving away from a narrow, transactional relationship between state and citizen. New Public Management, inspired by the desire to import the principles of consumerism into public services, cast a narrow role for the citizen, rebranded a 'customer'. This might extend to choosing a service from a list of providers, but beyond that little was expected in terms of deeper engagement or participation. This has robbed public services of a great resource: the assets we all have in ourselves to play an active role in helping ourselves. This must be unlocked if public services, in a highly constrained fiscal environment, are to meet the grand challenges we face today.

CASE STUDY KIRKLEES BETTER OUTCOMES PARTNERSHIP (KBOP)

Kirklees Better Outcomes Partnership (KBOP) is a partnership with Kirklees Council using a holistic, strengths-based approach to transform lives.

In 2019, Kirklees Council decided to try a different approach to supporting people at risk of homelessness. Existing programmes were heavily geared towards meeting the presenting needs of individuals, with rigid service specifications focused on managing short-term issues. This made it difficult for individuals to develop the skills they needed to fulfil their longer-term ambitions and move forward to independence – which meant they were returning to services repeatedly. Kirklees Better Outcomes Partnership was set up to challenge this 'revolving door' and bring together organisations to work in new and collaborative way, placing the individual in the centre of support, addressing and considering the cause behind the problem faced.¹¹

KBOP's experience is that real, lasting change comes from building on strengths, not trying to mitigate perceived weaknesses. A strengths-based approach to support and inclusion focuses on what people can do with their skills and resources - realigning the power, removing transactional processes, and recognising that individuals are the experts on and in charge of their own lives. This was the thinking behind the pioneering Personalisation Fund – a flexible resource to support people's agency to determine their own priorities.¹²

For example, Jake (not his real name) was due to be released from prison with no home and no job. Had KBOP been a traditional housing service, their priority would likely have been accessing supported accommodation, restricting Jake's ability to work. But KBOP listened to Jake's aspirations to return to employment and reengage with his young family. So KBOP funded his Construction Skills Certificate and purchased site equipment to get him a job, provided a bond for the deposit on his privately rented accommodation, enabling access to his children and the opportunity to work, and later funded qualifications to enable him to progress in his career into a better paid position. Instead of giving him what a service assumed he needed, KBOP listen to Jake's ambitions and motivating factors, supporting Jake to lead his own resettlement and journey to sustained independence.

¹¹ Sarah Cooke, Mila Lukic, Andrew Levitt, Tailor their approach to people's situations and strengths (by giving front-line teams the freedom to shape their services around individuals), People Powered Partnerships, p. 21

¹² Sarah Cooke, Changing the system not the person: how an asset-based approach can change lives, New Local: https://www.newlocal.org.uk/articles/asset-based-homelessness/

KBOP also uses the strengths of its current and former participants to evolve and refine its service. The coproduction group uses their skills and the power of their lived experience to influence systems change and continuously improve delivery of KBOP's services. The Peer Mentoring programme creates opportunities for individuals previously using KBOP service to reinvest in others, giving their time and shared experiences to support others in their journey through recovery, building connections and communities and motivating sustainable change once the support interventions have come to an end. Peer Mentors use their own lived experience to give people hope that things can be different and connect on a different level, through shared experiences, to those working in services. KBOP has also created a pathway for Mentors to progress into employment, to continue to build on their skills and experience and prepare for future workplace opportunities.

To date, KBOP supported 6379 people to transform their lives, ¹³ 73% of people sustain their accommodation, and 49% enter education or employment. Compared to pre-project estimates, KBOP supports more than double the participants at a 39% lower average cost per participant for commissioners. Which means that switching to strengths-based support delivered through an outcomes partnership has resulted in greater value for taxpayers' money and, more importantly, better outcomes for people. Using strengths-based techniques and strengthening community assets, KBOP is helping to lay the foundations for transformational change in this community.

Resource 2: Unlocking the 'intrinsic motivation' of public servants

Our attention now turns to public service professionals and two competing accounts of their motivation. But what is motivation? As Ryan and Deci describe:

"To be motivated means **to be moved** to do something. A person who feels no impetus or inspiration to act is thus characterised as unmotivated, whereas someone who is energized or activated toward an end is considered motivated."¹⁴

In addition, crucially there are not just different *amounts* of motivation, "but also different kinds of motivation. As Ryan and Deci go on to describe, motivation can vary in terms of:

"...not only in **level** of motivation (i.e. how much motivation), but also in the **orientation** of that motivation (i.e., what type of motivation)."¹⁵

Given humans are central to public services, how to motivate them - and what works best - is critical. Theories of human motivation have real world consequences; systems and policies reflect the accounts of motivation held by the designers of those systems and policies.

New Public Management-style reforms typically sought to change behaviour and influence service change through *extrinsic motivation*. Extrinsic motivation describes a motivation to engage in an activity to obtain a separate consequence to the undertaking of the activity itself, for example a reward.

These policy changes were significantly inspired and influenced by Public Choice Theory. Public Choice Theory applied the tools and principles of neoclassical economics to the analysis of political behaviour. It argued that political behaviour - like economic behaviour - can be explained through the principles of selfish utility-maximisation. This is "politics without romance", as James Buchanan - one of the founders of Public

¹³ Including domestic abuse support services

¹⁴ Ryan, Richard M., and Edward L. Deci. "Intrinsic and extrinsic motivations: Classic definitions and new directions." Contemporary educational psychology 25.1 (2000): 54-67.

¹⁵ Ryan, Richard M., and Edward L. Deci. "Intrinsic and extrinsic motivations: Classic definitions and new directions." Contemporary educational psychology 25.1 (2000): 54-67.

Choice Theory - memorably put it.¹⁶ This inspired waves of public service reform, the idea being that because public servants' interests are not necessarily aligned with the interests of the public, the behaviour of such public servants must be constrained. Politicians often talked of 'producer interest' needing to be constrained in public services. Indeed, attacking such 'producer interest' was central to former Prime Minister Tony Blair's interpretation of the New Labour project:

"Even now, a large part of the political discourse in Britain assumes that the "true" Labour party is one that puts trade unions before business; is indifferent to financial discipline; addicted to tax and spend; weak on issues of crime; irresponsible over state benefits for the unemployed or socially excluded; backs the producer interest in public services; and, give or take the odd exception, weak in defence and foreign policy. Since this government is plainly none of those things, ergo: we are not real Labour and are "unprincipled"." 17

However, there is an emerging consensus that unlocking *intrinsic motivation* is a better route to behaviour change. ¹⁸ Intrinsic motivation, as illustrated in Table 3, describes engaging in an activity for *intrinsic purposes*, for example because one finds it interesting, enjoyable or satisfying; engagement is not primarily driven because of the pursuit of an instrumental outcome. This distinction between different types of motivation was introduced by Deci and Ryan's work on Self-Determination Theory, developed in the 1980s. ¹⁹ As they describe:

"Over three decades of research has shown the quality of experience and performance can be very different when one is behaving for intrinsic versus extrinsic reasons".

What's more, this research suggests that extrinsic attempts to shift behaviour can 'crowd out' the positive forces of intrinsic motivation.²⁰ This suggests that if appeals are made to public servants' intrinsic motivation, rather than always resorting to extrinsic techniques, then we can get more from and out of public servants. We will explore later in this paper how such appeals could be made in practice.

TABLE 3
EXTRINSIC VS INTRINSIC MOTIVATION

	EXTRINSIC MOTIVATION	INTRINSIC MOTIVATION
Definition	Engaging in an activity to obtain a separate consequence, e.g. a reward	Engaging in an activity because it is interesting and inherently satisfying
Theory	Public Choice Theory	Self-determination theory
Policy levers	Targets Monitoring Sanctions	Flexible working within frameworks 'Stay legal'

Source: Author's analysis; Di Domenico and Ryan (2017)²¹

¹⁶ William F. Shughart II, Public Choice, Econlib. Available at: https://www.econlib.org/library/Enc/PublicChoice.html

¹⁷ https://www.theguardian.com/politics/2002/mar/12/speeches.labour Emphasis added

¹⁸ Quilter-Pinner, Harry, and Halima Khan. "GREAT GOVERNMENT." IPPR. (2023).

¹⁹ Ryan, Richard M., and Edward L. Deci. "Intrinsic and extrinsic motivations: Classic definitions and new directions." Contemporary educational psychology 25.1 (2000): 54-67.

²⁰ Quilter-Pinner, Harry, and Halima Khan. "GREAT GOVERNMENT." IPPR. (2023).

Di Domenico SI, Ryan RM. The Emerging Neuroscience of Intrinsic Motivation: A New Frontier in Self-Determination Research. Front Hum Neurosci. 2017 Mar 24;11:145. doi: 10.3389/fnhum.2017.00145. PMID: 28392765; PMCID: PMC5364176; Ryan, Richard M., and Edward L. Deci. "Intrinsic and extrinsic motivations: Classic definitions and new directions." Contemporary educational psychology 25.1 (2000): 54-67.

CASE STUDY

LIBERATED METHOD, GATESHEAD COUNCIL²²

The Liberated Method is a combination of principles and rules that facilitate bespoke support in Gateshead (and more recently, in Northumbria). It aims to help people access their internal capacity to thrive, with a more flexible, personalised approach to support, delivered by caseworkers.

Citizens are paired with a caseworker who works to understand their individual needs, rather than focusing on what services are on offer. These caseworker roles have low caseloads and are given a great degree of flexibility in the support they offer to people. The focus is on empowering the individual to make positive choices and moves in their own life, offering support where needed, to allow the citizen to eventually support themselves.

Caseworkers initially help citizens address immediate issues, such as accessing benefits or providing food. They are instructed to 'Do no harm' and 'Stay legal' and given a set of principles to underpin their work but, within these limits, caseworkers are trusted to make professional judgements about how to offer support.

There is a budget that all caseworkers can access and while their spending needs to be auditable with receipts kept, purchases do not require pre-authorisation from management. As immediate needs are met, caseworker support turns towards the 'challenge' element, which helps the citizen to stay on track and achieve their long-term goals. Eventually, as the citizen is able to intrinsically support themselves, services are gradually removed, seeing the citizen shift away from their caseworker, towards "their emerging community and network"²³ (p.10).

While the particularities of each case may require different combinations of support at different stages, the work can be split into two types of activity:

- 1. Extrinsically resourced (caseworker): caseworker providing support that beyond what the person could receive otherwise working on 'practical barriers and building emotional resilience so things stabilise'²⁴
- 2. Intrinsically resourced (community): coming from the individual with sufficient support.

The combination of activities will vary by the individual, with some having high immediate needs that require more sustained extrinsic support than others. While generally citizens are expected to progress from more intrinsic towards more extrinsic activities, this is not seen as a linear, uniform progression, with activities combined to meet the individual where they are. Ultimately, the emphasis is on helping the individual to help themselves towards achieving their long-term goals. Gateshead Council has reported that around 70% of people who have had contact with the Liberated Method have "demonstrably positive upturns in their lives after periods of decreasing stability and even crisis".²⁵

²² Mark Smith, The Liberated Method, Changing Futures Northumbria. Available at: https://www.changingfuturesnorthumbria.co.uk/rethinking-public-service; https://www.mutualventures.co.uk/post/radical-place-leadership#:~:text=People%20want%20support%2C%20relationships%20and,and%20it%20starts%20with%20people

²³ Mark Smith, The Liberated Method, Changing Futures Northumbria. Available at: https://www.changingfuturesnorthumbria.co.uk/rethinking-public-service

²⁴ Ibid.

²⁵ Ibid.

Resource 3: Unlocking social capital and communities

In addition to getting more from receivers of services themselves, by inviting the 'whole self' to participate in public services, more could be done to unlock the value of people's social connections in public service delivery.

Recent decades have seen a renewed focus on the importance of social capital. Popularised in the 1990s by sociologist Robert Putnam's *Bowling Alone*, we have seen waves of studies proving the importance of social capital and connections to people's wellbeing. Most recently, Raj Chetty's groundbreaking analysis of 21 billion Facebook friend connections in the United States concludes that cross-class social connections boost economic mobility more than any other factor; an astonishing finding and a reminder of the importance of social capital.²⁶

However, NPM-style reforms have typically done a poor job of utilising citizens' wider social capital. This is because NPM typically takes an individualistic approach to service delivery, casting the nature of the relationship between state and citizen on a one-to-one basis. There is a need to move away from this and to understand how to involve people's friends and families more in service delivery. Of course, such an approach will not always be appropriate, but where social networks can be appropriately utilised in service delivery, the state should do more to develop this invaluable resource.

CASE STUDY ROUTES2CHANGE²⁷

Pact is a UK-based charity that supports prisoners and their families. Their flagship project, Routes2Change, takes a 'family-first' approach to rehabilitation, during and after prison. Working in two London prisons, Routes2Change focuses on building family connections and fostering a culture in prisons where family members are recognized as highly valuable and a crucial 'agency' in preventing further crime. Research evidence shows that when contact is maintained between prisoners and their families, the chance of reoffending can be reduced by up to 40%.

Beyond social connections, we should also seek to better involve the 'third pillar' - civil society - in public service delivery. This includes charities and local organisations; despite the challenges seen for the 'third pillar' over the last decade, the UK still has a thriving voluntary sector. Making greater use of this in service delivery would help the state draw on a wider set of resources to improve people's lives through public services.

However, typical NPM-style approaches have done a poor job at engaging with the third pillar of society, with two primary reasons for this. First, thus approach applies the same method everywhere; as we have seen above, this is because proponents believed it to be universal. Yet this universalising instinct can ride roughshod over local difference and nuance; the everyday fabric of life in which the 'third pillar' flourishes. Second, while NPM often turned to the third pillar to *contract to*, it only ever saw its relationship with charities and community organisations in narrow contractual terms. It so often overlooked the potential to more informally involve the patchwork of community organisations in a place, failing to make use of this vital potential.

²⁶ Reeves, Richard V., and Coura Fall. "Seven key takeaways from Chettys new research on friendship and economic mobility." Brookings. (2022).https://www.brookings.edu/articles/7-key-takeaways-from-chettys-new-research-on-friendship-and-economic-mobility/
27 Pact. "Routes 2 Change: support for prisoners and their families". Available at: https://www.prisonadvice.org.uk/routes-2-change#:~:text=Routes%202%20Change%20demonstrates%20how,live%20lives%20free%20from%20crime.

²⁸ Rajan, Raghuram. The third pillar: How markets and the state leave the community behind. Penguin Press, 2019.

CASE STUDY THE DEAL FOR COMMUNITIES INVESTMENT FUND, WIGAN COUNCIL²⁹

Charity sector support is often hardest hit when local authorities and health bodies have to make cuts. However, when faced with austerity in the early 2010s, Wigan Council chose a different approach, seeking to protect its support of charities because cutting this would have been a false economy. This particularly relates to the drivers of demand for public services; if demand was to be reduced for public services, through improving health and wellbeing, the voluntary sector and grassroots activities would play a key role supporting this. Launched in 2013, The Deal for Communities Investment Fund supported groups and projects across Wigan, with £10 million invested in total.

The manner in which this investment happened is of high degree of interest:

- The money is an investment not a grant, with the charity being self-supporting over a period of time.
- Light-touch monitoring of organisations; as one senior leader at the council told the King's Fund,
 "We used to spend so much money and time on monitoring and evaluation and it stymied the
 creativity of the voluntary sector." Instead of tight constrains around KPIs, monitoring is instead
 based on to what extent voluntary sector groups are contributing towards high level goals
 achieved for local people. In addition, the charitable organisations themselves are tasked with
 taking a key role in setting these goals.

LIBERATE PUBLIC SERVICES TO UNLOCK CITIZENS, PROFESSIONALS AND COMMUNITIES

There is a strong argument for enlisting public services to help defeat some of the big challenges facing the nation today. However, spending more and more on public services does not appear an option to achieve this; the UK faces intense fiscal pressures and is expected to for the foreseeable future.

To resolve this dilemma we have argued for two shifts: repurposing public services towards solving grand challenges as well as continuing to deliver for local people, rather than too often striving for more neutral efficiency. Second, for public services to make greater use of three currently underutilised resources. Achieving the latter requires a new approach to public service delivery, which makes greater use of those resources. **We call this approach** *liberated public services* because:

- **Citizens** are liberated to bring their whole selves to services and seen as a resource to be worked with, not a problem to be fixed.
- Professionals are liberated from extensive external pressures: targets, compliance regimes, monitoring.
- Communities are liberated to partner with public services, whether formally or informally.

In doing so, it seeks to make use of wider resources which public services today are very poor at utilising. This is not about the state withdrawing; it's about the state providing the conditions for success.

In Isiah Berlin's famous distinction, negative liberty is a thinner notion of freedom; it is simply freedom *from* outside interference.³⁰ Positive liberty is a more demanding conception; it describes freedom *to do*. This distinction is helpful to illuminate that we are not simply calling for the state to simply step back and let freedom be 'unleashed'; to deliver true, positive liberty will require the state to have an important enabling role to play, not simply sitting on the sidelines. In the next chapter we describe the principles needed to make this vision a reality.

CHAPTER 2 THE PRINCIPLES OF LIBERATED PUBLIC SERVICES

Having introduced our vision for *liberated public services*, this chapter defines the principles needed to deliver that vision. These principles fall into three different categories, spanning three key relationships:

- The centre: The relationship between central government and the delivery of public services.
- Services: The relationship between different place-based public services.
- Citizens: The relationship between citizens and public service professionals.

These principles are summarised in Table 1 and described in more detail below.

TABLE 1

THE PRINCIPLES OF LIBERATED PUBLIC SERVICES - DELIVERING A NEW VISION FOR CITIZENS, PROFESSIONALS AND THE CENTRE

PRINCIPLE	MEANING	RATIONALE
THE CENTRE: A NEW RELATIONSHIP BETWEEN CENTRAL GOVERNMENT AND THE DELIVERY OF PUBLIC SERVICES		
Principle 1: Mission-driven public services	National politicians set broad missions, giving directionality to public service ecosystem	Shift from target culture to liberate professionals, but still track impact of services
Principle 2: Respect and autonomy for public service professionals	Financial and non-financial steps are taken to ensure public service professionals feel respected	Unlock 'intrinsic motivation' of public service professionals

Principle 3: Devolution and alignment	Devolve design and delivery responsibilities to the lowest appropriate level - but crucially ensure this is aligned geographically	Unlock service integration (see below) To encourage experimentation and innovation, shaped around local and citizen need
SERVICES: A NEW RELATIONS	HIP BETWEEN DIFFERENT PLACE-BAS	ED PUBLIC SERVICES
Principle 4: Service integration	Services are better integrated with one another, rather than structured around delivery siloes	Complex systems affect people's lives, meaning siloed delivery fails
Principle 5: Peer-to-peer learning	Insights and learnings are shared between different services operating in a place, and where relevant shared nationally	The adaptive nature of complexity means services must experiment and innovate; it's crucial the lessons from these innovations are effectively disseminated
Principle 6: Collaboration between different providers	Providers work together and join- up, rather than 'competing' for 'customers'	Competition between different providers produces undesirable consequences Supports service integration (see above)
Principle 7: Join-up public services with wider social and economic policy	Integration and alignment of public services with wider social and economic policy	Foundational factors drive demands for public services; they must work in concert together
CITIZENS: A NEW RELATIONSHIP BETWEEN CITIZENS AND PUBLIC SERVICE PROFESSIONALS		
Principle 8: Professionals are freed to experiment in line with local variation and citizen need	Shift from compliance-intensive regimes and restrictive inputs-focused regimes to looser frameworks which support professional liberation	Experimentation and innovation of service design and delivery, to suit citizen and local needs, drives improvement in services
Principle 9: Strengths-based approach	A shift from 'deficit model' approach which limits effectiveness of services	Unlocking citizen resources to support service delivery using strengths-based approach
Principle 10: Services designed with citizens, through co-production and participation	Co-production is the involvement of service users in the design and delivery of public services Participation in this context	Unlocking citizen resources to support service delivery Alternative to market mechanism to drive service improvements

Source: author's analysis, inspired by Hood's account of New Public Management³¹

THE CENTRE: A NEW RELATIONSHIP BETWEEN THE CENTRE AND PUBLIC SERVICES

In this section we focus on the relationship between the centre and the delivery of public services. The key shift here is to move towards a new, experimentalist paradigm, which liberates the resources identified in the preceding chapter which are currently underutilised by public services.

Principle 1: Mission-driven public services

Goals are important for public services. They can drive improvements in performance and ensure that different parts of the system know what they should be striving towards. If used appropriately, goals could also aid the joining up of different public services.

Different public management paradigms take different approaches to goal setting. As has been widely commented on, the results of the extensive use of targets is highly mixed. There is a wealth of literature on the use of gaming by public services to meet targets.³² In addition, public services can often hit the target but miss the point.³³ The ultimate aim of public services of course isn't to hit targets; these are instrumental goals (e.g. NHS waiting list targets) used to help deliver on something we actually care about (e.g. the health of the nation). Yet an excessive focus on targets can mean that the trickle through from instrumental target to desired outcome can often not happen in practice.³⁴

But perhaps most relevantly for *liberated public services*, targets can limit the scope for the use of professional judgement by frontline public service professionals. As the Institute for Government describes, targets "...can prevent improvement in better performing services if well trained staff are unable to innovate".³⁵ This has been shown to have very negative, real-world consequences; the 2011 Munro Review, which followed the death of Peter Connelly, describes how a system of performance management "can lead to people just following procedures and not seeking to understand them or trying to become more effective in their complex tasks".³⁶

So if not targets, what should we use to set a direction for public services? We believe the concept of 'missions', largely applied thus far in the domains of industrial policy and innovation economics, have much to offer public services. Introduced by Mariana Mazzucato in a 2011 Demos paper, a mission is a clear and measurable goal which government works towards meeting.³⁷ The key difference between missions and traditional approaches, for example targets, is that missions tend to be cross-cutting and complex. The textbook example of a mission is NASA's Apollo programme, but missions are increasingly used for non-technological innovations. For example Mariana Mazzucato's UCL Institute for Innovation and Public Purpose has set four missions for Camden Council, relating to economic opportunity, food poverty, the diversity of those in positions of power and the nature of streets in the borough.³⁸

There is cross-party interest in the concept of missions in the UK. Missions are used extensively in the government's recent Levelling Up White Paper.³⁹ The Labour Party has put five missions at the heart of their plans for government.⁴⁰ Crucially, missions seek to focus on outcomes, rather than outputs. But they also seek to move us beyond narrow outcomes, towards deeper, shared outcomes. This is essential for getting over the silo challenge in public services.

What benefits could missions bring for *liberated public services*? For those working within services, they could offer a less punitive approach to measuring impact than target-heavy regimes. This could play a valuable role in freeing public servants to innovate, experiment and shape services around the needs of citizens and the communities they live in.

³² Christopher, Hood, and Christopher Hood. "Gaming in targetworld: The targets approach to managing British public services." Public Administration Review 66.4 (2006): 515-521.

³³ Davies, Nick, Graham Atkins, and Sukh Sodhi. "Using targets to improve public services." (2021). Institute for Government. Available at: https://www.instituteforgovernment.org.uk/publication/report/using-targets-improve-public-services#:~:text=It%20cites%20examples%20 within%20the,than%20using%20their%20professional%20judgement.

³⁴ Ibid.

³⁵ Ibid.

³⁶ Ibid.

³⁷ Mariana Mazzucato. "THE ENTREPRENEURIAL STATE". 2011. Demos. Available at: https://demos.co.uk/wp-content/uploads/files/ Entrepreneurial_State_-_web.pdf

³⁸ Available at: https://camdenrenewal.com/#:~:text=Through%20conversations%20and%20collaborative%20work,and%20opportunities%20 for%20young%20people.

³⁹ Available at: https://www.gov.uk/government/publications/levelling-up-the-united-kingdom

⁴⁰ https://labour.org.uk/missions/

We have seen in the preceding chapter the argument for a grander purpose for public services than greater efficiency. Missions have an important role to play in reorienting public services here. There is also a need to give directionality to professionals, providers and citizens. If we want more from them, how do we direct them and who should be doing the directing? Finally, appropriately crafted missions could also help to join up and integrate services. By focusing on shared outcomes which cut across services, if used correctly, missions could enable and facilitate the joining up of services.

It is important to note that developing missions as an alternative to targets and intensive compliance regimes does require further work, which we will explore as the Taskforce develops. Crucially, there is still a very important place for sound financial management and ensuring public money is spent wisely, even under a more liberated system for public services. We are aware of this challenge and will address it head on as the Taskforce develops.

Principle 2: Respect and autonomy for public service professionals

We have seen the need to unlock the 'intrinsic motivation' of public servants. This is likely to be easier to achieve if public servants feel respected and valued. First, this is about paying professionals properly in a way that confers dignity and respect; salaries must be sufficient. Second, there is a need to explore, given a constrained fiscal environment, what non-financial forms of respect can be delivered and expanded for public service professionals. There is a burgeoning debate about respect in public policy, and how it can be delivered, and we look forward to its development as a wider agenda. There could also be a role for reviewing the scope and purpose of Pay Review Bodies, to extend from questions of pay to considering how we can create the workforce needed to deliver *liberated public services*.

Principle 3: Devolution and rationalisation of public service delivery

The UK's political system is highly centralised, arguably one of the most centralised countries in the developed world. Yet lift the bonnet on that abstract statement and the public services landscape is more complex. The devolved assemblies have responsibility for most public services. Within England, there is considerable variation, with different tiers responsible for different services.

This complex patchwork brings a number of challenges. First, we have seen throughout this paper the need to join up public services. Yet this is hard to achieve when responsibility for services is not co-located. Second, we believe there is a need to liberate professionals to reflect local variation and need; this is undermined by the remaining centralism of certain services.

To address these challenges, we believe two shifts are needed. First, we need to devolve responsibility for the design and delivery to the appropriate level; this may be local or regional, depending on the nature of the service. Second, we need to undertake a greater rationalisation of public service delivery responsibilities. We will explore both these questions in more detail later in the Taskforce.

SERVICES: A NEW RELATIONSHIP BETWEEN DIFFERENT PLACE-BASED PUBLIC SERVICES

Our next set of principles govern how public services relate to one another. We are assuming this happens in a particular place, with appropriate geographical dimensions to be outlined in future work of the Taskforce.

Principle 4: Service integration

A perennial challenge facing public services is the problem of public services operating in siloes.⁴² This problem affects a wide range of services. Taking one example, services for vulnerable children, young people and families, recent Demos research found that a lack of joined up services is costing the government up to

⁴¹ Marc Stears and Luke Tryl. "The Respect Agenda". UCL Policy Lab. 2023. Available at: https://www.ucl.ac.uk/policy-lab/sites/policy_lab/files/the_respect_agenda_ucl_policy_lab-more_in_common_september_2023_1_compressed.pdf

⁴² Wilson, Sophie, et al. "Joining up public services around local, citizen needs." Institute for Government, London (2015). Available at: https://demos.co.uk/wp-content/uploads/2023/12/Wall-to-Wall-Support_Report.pdf

£4.3bn per year.⁴³ There are few challenges in public policy on which so much ink has been spilt, yet so little progress made. As illustrated by the Institute for Government, there have been countless attempts over the last thirty years to join up public services.⁴⁴

It is worth briefly revisiting why siloes are such a problem, in light of developments in the social sciences in recent decades. Yes, siloes are bad because of wasted resources, inefficiencies and duplication; perhaps the 'standard account' of their downsides. But there is a deeper reason why they should and must be avoided.

Since the rise of systems theory and complexity studies, researchers have provided strong evidence that economic and social systems are governed by complexity and adaptivity.⁴⁵ They are complex in that the forces driving them are many and interconnected; they are adaptive in that they are not static and change over time. As a result, given the interconnected nature of social and economic systems, there is an additional reason to strive for integrated services; only then can you begin to grapple and get control of the complicated forces shaping people's lives and design services around their lives, not around delivery structures.

This is difficult to achieve under NPM-style approaches. First, NPM typically works by disaggregating problems into smaller component parts, to deliver disaggregated public sector units. Second, this approach is inspired by a rationalistic, mechanistic worldview. This means that it sees change happening as a linear process; x leads to y leads to z. This view of the world is fundamentally challenged by the insights of complexity theory and systems thinking. The desire to break out of some of these limitations of siloed thinking has driven recent public service reforms. For example, the creation of Integrated Care Systems (ICSs) is driven by a desire to integrate health and care systems along place-based lines.⁴⁶

CASE STUDY COMMUNITY SOLUTIONS, BARKING & DAGENHAM COUNCIL, GREATER LONDON⁴⁷

Community Solutions was designed to address the root causes of the challenges that residents of Barking and Dagenham faced and to "help people help themselves". The spur for change came from two sources; first, social and economic outcomes being among the poorest in London and, second, a wide range of issues with existing service delivery models. These issues included: a high degree of dependency on the council; limited prevention across services; a culture of siloed working; limited data and insight about service demand; services were provided in fifteen locations across the borough, meaning signposting for citizens was challenging.

⁴³ Andrew Phillips, Lucy Bush and Stephen Walcott. "Wall to Wall Support: Joining up public services and housing for vulnerable children, young people and families." 2023. Demos. Available at: https://demos.co.uk/wp-content/uploads/2023/12/Wall-to-Wall-Support_Report.pdf 44 Wilson, Sophie, et al. "Joining up public services around local, citizen needs." Institute for Government, London (2015). Available at: https://demos.co.uk/wp-content/uploads/2023/12/Wall-to-Wall-Support_Report.pdf

⁴⁵ Chapman, Jake. System failure: Why governments must learn to think differently. Demos, 2004. Available at: https://demos.co.uk/wp-content/uploads/files/systemfailure2.pdf

⁴⁶ Anna Charles. "Integrated care systems explained". The King's Fund. 2022. Available at: "https://www.kingsfund.org.uk/insight-and-analysis/long-reads/integrated-care-systems-explained

⁴⁷ Available at: https://modgov.lbbd.gov.uk/internet/documents/s125823/Community%20Solutions%20Update%20Report.pdf

In response to this fragmented service landscape, the council launched a new service - Community Solutions - in 2017. Bringing together a wide range of teams from across the council it into one service structure. As the council describes:

"In effect, we've moved all customer facing services into the service - including Children's Centres, the Adult College, Libraries, Housing Advice, Homelessness Prevention, supporting for people with No Resource to Public Funds or safeguarding concerns, Youth provision, targeted Early Intervention, Hostels to name but a few."

The key features underpinning this new service include: acting as the front door for all people-based services; designed to encourage self-help and provide residents, where necessary, with relevant support; aiming to help residents to become more resilient and self-sufficient. It has led to a widespread restructure of the entire service, with a focus on front line delivery and fewer management tiers. These changes have saved £1.6m and enabled an increase in those working at the frontline by 58%.

Principle 5: Peer-to-peer learning

New Public Management typically disregarded learning or knowledge accumulation; due to its universality of methods, it typically thought that it already 'had the answers'. But this philosophy runs into two major issues when confronted with reality.

First, variation and difference means that what works somewhere might not work elsewhere, both in terms of the individual and, separately, geography. As a result, there is a need to constantly experiment and share learning between public services as it arises. Second, as we have just seen, complexity demands a different approach to service design, at which learning has to be at its core; what is true today might not be true tomorrow.

Instead, we need to see a new shift to putting *learning* at the centre of public service delivery. We need to invest in knowledge capture systems - knowledge is hard to come by and without it we cannot deliver effective public services, we need to invest in knowledge capture systems at a local level and find ways to store, interpret and disseminate that information to those that need it. There will be a variety of ways to achieve this: some person-to-person, others more complex and systemic approaches. We are inspired here by the development of Human Learning Systems, led by organisations including the Centre for Public Impact and Collaborate CIC.

Principle 6: Collaboration

Greater competition between different providers of public services was a key tenet of NPM-style reforms. This was driven by the application of market logic to public services: if providers have to *compete* - whether through competitive tendering processes to win a monopoly contract or through different providers directly competing for customers - quality would be increased through the 'invisible hand' of market forces.

However, the competition experiment in public services has faced considerable headwinds. First, creating 'true' markets in public services has been extremely challenging. Second, even within procurement processes, in which monopoly rights are granted to a private provider for a time-limited period, getting a sufficient number of bidders has proved challenging.

As a result of the challenges of injecting competition into public services, a renewed interest in the encouragement of *collaboration* has emerged. This is partly due to the failings to deliver competition in public services. But it's also emerged as a response to the insights of complexity theory, which we explored above. Given people's lives are highly complex, it makes more sense for the different services they are working with to be acting in a collaborative fashion, rather than competing with one another; only then can root causes be addressed and a holistic approach be taken.

CASE STUDY HEALTH AND CARE ACT 2022 FROM COMPETITION TO COLLABORATION IN THE NHS⁴⁸

The Lansley reforms of the Coalition government, passed into law through the Health and Social Care Act 2012, sought to define the principles of competition into law.

However, these principles started to be unpicked, with the NHS proposing in 2019 to repeal section 75 of the Health and Social Care Act. At the time, such proposals were supported by the cross-party Health and Social Care Committee in Parliament, which argued that "Competition rules add costs and complexities, without corresponding benefits for patients and taxpayers in return. Choice and competition can help raise standards and encourage innovation, but, as an organising principle, collaboration is a better way to manage the rising demands on health and social care, improve joined up care for patients and deliver better value for taxpayers."

This view has then underpinned subsequent reforms. The 2022 Health and Care Act established Integrated Care Systems, formalising requirements for an integrated approach to health and care. With the establishment of ICSs, there is an increasing focus at a local level on developing the principles of collaboration, rather than competition.

Principle 7: Integration and alignment of public services with wider social and economic policy

We must also ensure better alignment of integration of public services with wider social and economic policy. NPM viewed services as operating in isolation, yet the great insight of work such as Michael Marmot's is that social determinants such as the quality of local services, access to food and education shape health and wellbeing outcomes. Too often the challenges facing public services have been viewed as solvable by public services themselves. But if the social and economic trends and forces are heading in such a poor direction, which drive demand for public services, then services will be overwhelmed; this is arguably the situation public services find themselves in today.

There is also an important inequality lens through which this needs to be viewed, as recent years have seen the poorest local authorities with the greatest levels of need requiring the greatest proportion of central government grant funding, but it is exactly these income streams which have been cut the most, with a disproportionate impact on local authority service provision in these areas.

⁴⁸ Health and Social Care Committee. "NHS long-term plan: legislative proposals. 24 Jun 2019." Available at: https://committees.parliament. uk/work/2941/nhs-longterm-plan-legislative-proposals-inquiry/news/104601/collaboration-not-competition-is-key-to-tackling-healthcare-challenges/; Carnall Farrar. "NHS: from competition to collaboration". Available at: https://www.carnallfarrar.com/nhs-from-competition-to-collaboration/#:~:text=The%202022%20Health%20and%20Care,the%20population's%20needs%20at%20scale.

CITIZENS: A NEW RELATIONSHIP BETWEEN CITIZENS AND PUBLIC SERVICE PROFESSIONALS

Principle 8: Professionals are freed to experiment in line with local variation and citizen need

We have seen throughout this paper the need to liberate those working in public services and to free them from the unhelpful constraints of previous approaches. While achieving this will require changes outside public services directly - such as a shift away from targets and greater esteem for public service professionals - it's crucial that changes are made within services as well.

This is to also ensure that local practice can reflect local need and citizen need; the uniformity of New Public Management was a major challenge for a variety of reasons, not least its inability to reflect local variation, a crucial insight of the 'place' agenda in public policy. As the Taskforce develops, we will more clearly define what liberating service professionals looks like, but it will require significant shifts across a number of themes, including accountability, caseloads and workloads, and compliance and report regimes.

Principle 9: Strengths-based services

We saw in the previous chapter that NPM can be described as taking a 'deficit model' approach. One issue with this is that it can discourage citizens from fully engaging in public services. We need a new approach, which sees users of services as assets, not deficits to be 'fixed'.

The 'strengths-based' movement in public services seeks to deliver this shift.

Originating in social work, it's an approach which emphasises "people's self-determination and strengths. It is a philosophy and a way of viewing clients as resourceful and resilient in the face of adversity". As Alex Fox describes:

"A strengths-based approach to care, support and inclusion says let's look first at what people can do with their skills and their resources – and what can the people around them do in their relationships and their communities. People need to be seen as more than just their care needs – they need to be experts and in charge of their own lives."

⁴⁹ Department of Health and Social Care. "Strengths-based approach: Practice Framework and Practice Handbook". 2019. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/778134/stengths-based-approach-practice-framework-and-handbook.pdf

CASE STUDY

MAYDAY TRUST, LONDON THE PERSON-LED, TRANSITIONAL AND STRENGTH BASED RESPONSE⁵⁰

The Mayday Trust, now part of Platfform, was a charity operating in England that helps people with complex needs, including those experiencing homelessness.

Following a deep listening exercise in which it engaged homeless people who had lived in its accommodation and used their support services, the charity sought to reinvent the services it offers around a person-led, strengths-based approach. This new approach - Person-Led, Transitional and Strengths-based Response, combined a number of key features, including coaching in a strengths-based fashion, led by the individual using the service; seeking to build and strengthen communities, including through the use of personal budgets; offering support so the service user could challenge and seek to change what wasn't working for them, feeding through into co-production of wider services.

An evaluation of this approach, delivered by the Mayday Trust in Northampton and Changing Lives in Newcastle, reported positive outcomes for participants. Almost all respondents "deeply valued the one-to-one coaching experience and shared positive reviews of PTS Coaches'. Promising results in terms of wellbeing; significant improvements in terms of 'how much choice they felt they had in life, and how happy they felt about how they use/used their time'

Principle 10: Services are designed through co-production and participation, including civil society

In the preceding chapter, we saw the need to fully unlock the power of citizens in the delivery of public services. NPM casts a minor role for the recipient of services: a consumer relationship with the state, with the ability to (potentially) express a preference over who to receive services from. But beyond this transactional relationship, it expected little more from citizens, with citizens lacking agency to shape services to suit their needs.

Co-production stands in opposition to this standardised and transactional relationship, describing an approach to partnership working in the delivery of public services, which shares power between service users, their wider social networks, and service providers. Co-production was developed in the 1980s by the American economist Elinor Ostrom. Li was inspired by research she and colleagues undertook to understand why patrols by police on foot were more effective than those conducted from vehicles. They concluded that policing was more effective when citizens could interact with police directly, working with them to make local areas safer by easily alerting them to problems they identified. In a sense, the public "were co-producing public safety with police officers, rather than police officers acting alone". The benefits of co-production are now fairly widely known in a UK context. We need to put this approach at the heart of delivery models to liberate public services.

⁵⁰ https://maydaytrust.org.uk/wp-content/uploads/2022/02/Evaluating-the-PTS-Model_Final-Report_23Feb2022_final.pdf Social Care Institute for Excellence, Mayday Trust and Think Local Act Personal. "What next for strengths-based areas?". 2022. Available at: https://www.scie.org.uk/strengths-based-approaches/what-next-for-strengths-based-areas/

⁵¹ Social Care Institute of Excellence. "Co-production: what it is and how to do it". 2022. Available at: https://www.scie.org.uk/co-production/what-how

^{.52} Caitlin McMullin. "The who, what, how and why of co-production of public services". Available at: https://www.economie.gouv.fr/igpde-editions-publications/comparative-analysis_n2

⁵³ Ball, Nigel, and Loic Menzies. "Efficiency and resilience." Government Outcomes Lab. 2023. Available at: https://golab.bsg.ox.ac.uk/documents/Efficiency_and_Resilience_2023.pdf

CASE STUDYWIGAN DEAL

Under the backdrop of austerity measures, Wigan spent the first two years reducing department budgets by 20-25%.⁵⁴ Increasingly, there was a feeling among council leaders that austerity was here to stay, with two key agendas emerging:

- 1. The need for transformation of public services, with "upfront in investment in new ways of working" 55
- 2. The benefits of a different relationship between the public sector and local people, supported by evidence from local innovation projects such as Creative Councils and Life programmes⁵⁶

While austerity did require the council to do more with less, "the ideas that shaped what later became the Wigan Deal were not primarily about saving money but rather about improving lives" (p.14). There was a feeling that people too often feel disempowered by services and feel a lack of control over their lives. There was an ambition for a new, collaborative, non-hierarchical approach to public service, empowering local people and producing great outcomes.

Response

The 'Wigan Deal' refers to a new approach to delivering services, founded on several components:

- 1. 'Asset-based' working at the individual, family and community level
- 2. A culture of innovation, with frontline staff empowered to make decisions and rethink ways of working
- 3. Empowering communities, with investment in local organisations and groups
- 4. Fostering closer inter-agency partnership working

The Wigan Deal is an "emergent strategy" with trial and then adoption of ideas that appeared to work⁵⁸ (p. 18). Underpinning the Deal is an 'our part' and 'your part' agreement that outlines the responsibilities of the council and citizens. On the council's part, this includes keeping Council Tax down, help communities support each other, creating opportunities for young people, and supporting growth. For citizens, this means getting involved in their community, being healthy and active, and having their say, among other responsibilities. There are multiple constituent deals, including ones for communities, adult social care, and business, among others. The 'our part' and 'your part' agreements enshrine the work of public services as a relational, public endeavour, rooted in pride in place.

⁵⁴ Naylor, Chris, and Dan Wellings. "A citizen-led approach to health and care." Lessons from the Wigan Deal. London: King's Fund (2019).

⁵⁵ Ibid.

⁵⁶ Ibid.

⁵⁷ Ibid.

⁵⁸ Ibid.

At the start of its journey, the council had to make some difficult decisions. They reduced staff numbers, but used this as an opportunity to retain staff who were bought in to the Deal's principles and offered opportunities to interview for new posts.⁵⁹ Following an audit of cases, the council also decided to reduce the number of social workers and introduce a new 'social care officer' role, which focused on less complex clients. These officers could then spend further time to have 'different' conversations and improve their understanding of those they are supporting⁶⁰ - a more towards a more relational approach. The council also reduced the number of day centres and instead commissioned voluntary and community sector organisations to create a more varied, plural offer, including new community hubs.

The Wigan Deal is characterised by bold leadership and a relational culture that resonates with directors, frontline workers, and citizens themselves. There are numerous examples of this:

- As part of the Deal for Children and Young People, child protection meetings were made less confrontational, with new methods like 'family group conferences' and the Signs of Safety model designed to "not lose sight of risk but also to idetnfiy strengths and support those involved to find solutions within their own family and support networks" (p. 24).
- Refuse collectors and other staff working in environmental services underwent training to identify safeguarding and other concerns, 62 which are then reported to a multi-agency safeguarding hub.
- Public health 'champions' used to drive citizen-led public health, including 10,000 dementia friends who have worked to make councils, businesses and others more to be more dementia aware and friendly
- Community link workers with strong local knowledge who can support on non-medical aspects of health. They are supported by council-based community knowledge officers who map borough assets, providing resource to community link workers and receiving feedback on 'local needs and gaps in services' (p. 50)

Impact and ways forward

Wigan has shown that it is possible to make these savings while protecting or improving outcomes.⁶⁴ As well as improving its financial position, Wigan has shown fast improvements in 'healthy life expectancy' between 2009-11 and 2015-17, with changes that compares favourably to most of the 15 councils with similar populations and geographies. Another positive sign comes from the Deal for Children and Young People - Reducing the number of children in care, a significant reduction in court proceedings, and ending out-of-borough placements for children. While it is not possible to determine a direct causal relationship between the Deal and improvements in various outcomes, these changes have occurred after a period of decline.

⁵⁹ Those without job offers were given compulsory redundancy

⁶⁰ Ibid.

⁶¹ Ibid.

⁶² Ibid.

⁶³ Ibid.

⁶⁴ Ibid.

UNLOCKING PREVENTION

There is renewed policy interest in the 'prevention agenda': shifting public services from being stuck in 'firefighting' mode to getting on the front foot and preventing problems before they arise. Taken together, the principles of *liberated public services* can help unlock a more preventative approach. How?

First, prevention can only be delivered through a 'strengths-based' approach. This is because a 'deficit model' approach will only ever seek to intervene earlier and earlier; but in doing so it will never truly get on the front foot. Doing so requires services not to see problems but assets to be worked with, to develop resilience among citizens.

Second, people's lives are complex and indeed are shaped by complex social and economic systems. The challenges they face span multiple traditional service disciplinary boundaries. Hence the need for greater service integration to reduce the siloes that work against doing proper prevention.

Third, as Demos argued last year in our essay *The Preventative State*, taking prevention seriously requires looking beyond public services, to our economic lives and the social fabric in the communities we live. This cannot be delivered by New Public Management, which was blind to the wider environment in which it was operating. A more localised, tailored approach - in which local leaders are liberated to shape services as they see fit - can assist with this.

A COHERENT ALTERNATIVE?

In this chapter we have described the principles that underpin *liberated public services*, our new vision for public services. These principles might sound abstract, but they are grounded in local practice happening up and down the country. They have been developed through a process of interaction between theory and practice; they are a product of both, not one or the other.

But do these ideas and principles cohere? We hope throughout this chapter the degree to which the different principles connect and reinforce each other has come through to the reader. In the next chapter we will explore how the different elements of the *liberated public services* vision support one another and lead to overall public service improvement.

CHAPTER 3 LIBERATED PUBLIC SERVICES - A THEORY OF CHANGE

In the previous chapter we examined the principles that embody *liberated public services*. Rooted in both theory and practice, drawing on the exciting work happening up and down the country. But a question remained for our new vision of public services: is it greater than the sum of its parts? And crucially, does it have a coherent theory of change?

NEW PUBLIC MANAGEMENT'S POWERFUL THEORY OF CHANGE

A theory of change is a method that describes how an intervention, or set of interventions, is expected to deliver change. It's an approach often used in the charity sector to help organisations better define the change they are seeking to affect the steps needed to get there.⁶⁵

New Public Management was attractive to policy makers for many reasons: its universality, clear policy toolkit and anti-state stance in a time of market triumphalism. It also offered a clear and powerful theory of change, with two strings to its bow. First a 'command-and-control' regime of targets, regulations and sanctions were used to force services to improve; an approach memorably described as "targets and terror".66 Second, a combination of *choice* for citizens of different public services, and *competition* between different providers, would over time - through the 'invisible hand' of market forces - lead improvements in service quality. We have seen throughout this paper the issue with both of these drivers; we will not go into them here. However, it is clear that any credible alternative needs its own theory of change.

⁶⁵ UNDAF. "Theory of Change: UNDAF Companion Guidance." (2015): 91-110. Available at: https://unsdg.un.org/sites/default/files/UNDG-UNDAF-Companion-Pieces-7-Theory-of-Change.pdf

⁶⁶ Hood, C., and G. Bevan. "Governance by Targets and Terror: Synecdoche." Westminster Economics Forum. Vol. 15. 2005. Available at: https://www.niesr.ac.uk/publications/governance-targets-and-terror-synecdoche-gaming-and-audit?type=conference-and-seminar-output

AN ALTERNATIVE THEORY OF CHANGE

As set out in the table below, an alternative set of improvement drivers emerge from the principles of *liberated public services* described in the previous chapter.

TABLE 2IMPROVEMENT DRIVERS IN NPM VS LIBERATED PUBLIC SERVICES

NPM IMPROVEMENT DRIVERS	LIBERATED PUBLIC SERVICES IMPROVEMENT DRIVERS
Command and Control	Missions provide directionality
Market mechanisms	 Unlocking motivation of citizens, communities and professionals
	Experimentation drives innovation in service delivery, supported by learning

Source: author's analysis

Driver 1: Missions provide directionality

The first driver of improvement in *liberated public services* is the use of missions. As we saw in the previous chapter, missions are broad, ambitious, cross-sectoral goals, focused on deep outcomes not outputs. We believe they can be a key part of public services in the future, used to shape mission-driven services to solve the many crises we face today as a country. How do missions drive service improvements?

First, they can animate the many different actors in the public services ecosystem around a smaller number of shared goals. This is much needed: it's increasingly clear that the different elements of the system are focusing on very different aims and objectives. Taking health and care as a specific example, a recent King's Fund report describes the lack of agreement on what purpose underpins the overall vision for the health and care system; is it about cost saving, reducing health inequalities, or something else?⁶⁷

Second, mission could reduce delivery siloes; an issue that we have seen throughout this paper continues to dog public services. This is because missions are inherently cross-sectoral, therefore spanning multiple service boundaries. However, setting a cross-service mission will of course not deliver better joined-up working alone; doing so requires a transformation of how services are delivered. Describing that transformation is the mission of the Taskforce and we will provide more detail in future Taskforce outputs.

Driver 2: Unlocking citizen, worker and community resources to shape resources; rather than the market mechanism

We have seen throughout this paper the need to unlock and make more of three critical resources: the strengths we all have as citizens; community resources and social connections; and the intrinsic motivation of public service professionals.

Seeing services as a means to unlocking these resources means a different form of democratic pressure on public services. As we saw above in this chapter, NPM utilised a market democracy approach; pressure for services is provided by citizens 'voting with their feet' to choose a preferred service. The alternative to this approach offered by *liberated public services* can be described as participatory democracy; citizens actively participating and shaping the services in their community.

⁶⁷ Baird, Beccy, et al. "Making care closer to home a reality." The King's Fund. (2024). Available at: https://assets.kingsfund.org.uk/f/256914/x/c587ff460d/making_care_closer_to_home_a_reality_report_2024v3.pdf

Driver 3: Experimentation delivers innovation, disseminated by learning

New Public Management neglected the importance of innovation in its account of service improvement. Why? First, as we have seen throughout this report, the universality of its principles left little room for experimentation; with experimentation being the driver of innovation. Second, a belief in universality also led to significant drivers for 'replicability'.

How does our vision for *liberated public services* deliver innovation? First, it creates the space for greater *experimentation* from public service professionals. This is inspired by Charles Sabel's development of 'experimentalist governance'. This approach responds to the challenges and demands of complexity; as we have already seen in this paper, the social and economic environments in which services are operating are not simple and linear, but complex and adaptive. How to respond to this? Sabel argues for an approach which prioritises experimentation, given at different places and different points in time, different approaches will be more or less suitable.

But for the experimentation to lead to *innovation* has to be supported by *learning*; the second driver of innovation in *liberated public services*. As described by Demos Helsinki:

"Feedback loops to ensure learning are critical for learning. In exchange for autonomy, stakeholders must commit to peer learning structures that enable accumulation of knowledge and Instead of conventional reporting from lower parts of a system to a central actor, feedback loops can be created through structured dialogue and peer learning among the stakeholders, in which knowledge is accumulated and actions corrected in light of information from other parts of the system." 68

This will, of course, require a data revolution to underpin this new culture of learning; a crucial missing piece here is often the lack of data across different services today, causing an inability to learn, compare and contrast.

FROM CENTRE-DRIVEN CHANGE TO PROFESSIONAL-CITIZEN CHANGE

The new public services paradigm has an emerging account of how its governance features lead to improvements over time. This is crucial, we believe, for any further transition away from New Public Management; without an account of this nature, progress will be impossible.

Stepping back, one key difference between NPM and LPS becomes clear. Under previous reforms, the drivers of change typically came from *outside* services. Targets were enforced and disciplined by central government actors; prodding and poking services from the outside.⁶⁹ And the market's invisible hand, which was to improve service quality overtime, operated somewhere beyond the services itself.

This had a constraining effect on services; restricted by diktat or the logic of the market. Instead, the forces of change within *liberated public services* come primarily from *within* services. Professionals are empowered to experiment with new ways of working, adopting practice to shape local and personal need; citizens are encouraged to bring their whole selves to services; communities and social networks are enlisted as active partners in delivery.

There is of course still a role for external factors under *liberated public services*; missions provide directionality and shared agreement for the system. But missions are inherently less intrusive and corrosive than a multiplicity of sanctions, targets and compliance regimes.

⁶⁸ Annala, Mikko, et al. "Humble government: how to realize ambitious reforms prudently." Government analysis, assessment and research activities. Helsinki (2020).

⁶⁹ Bevan, Gwyn, and Christopher Hood. "What's measured is what matters: targets and gaming in the English public health care system." Public administration 84.3 (2006): 517-538.

CONCLUSION

A NEW APPROACH TO PUBLIC SERVICE REFORM - TOWARDS LIBERATED PUBLIC SERVICES

A new approach to public services has been sketched across the country in the post-crash period. Often driven by external shocks, these changes have a strong degree of coherence.

We call this new approach *liberated public services* because of the attempt to liberate three key resources from the shackles of New Public Management: citizens, communities and professionals. It's important to note that the new paradigm is still emerging and is relatively new; we will live in the shadow of New Public Management for some time to come. Indeed, that's why *liberated public services* puts such a strong emphasis on experimentation and innovation; it recognises that the correct approach to public management is an evolutionary one, with the capacity to learn and improve at all times, rather than a set of abstract universal principles which hold forever and everywhere.

As the Taskforce progresses, we will be setting out in concrete terms what central government can do to enable the development of *liberated public services*. This is with an understanding that brilliant examples - indeed, the inspiration for the concept - are already happening up and down the country. There is no need to 'impose' a new vision from the centre; as previous attempts at public service reform have sought to do. This illustrates that any new reform agendas must conceive of the role of the central state differently. *Liberating public services* will require the central state to think less about imposing a view from Whitehall and instead ask itself: how can it provide the conditions for liberated public services across the country?

In doing so, we will provide a new role for central government across four key functions:

- 1. Devolution and rationalisation
- 2. Accountability
- 3. Supporting the workforce
- 4. Disseminating learning and best practice

Throughout, this is inspired by the drivers of change that *liberated public services* brings about: missions, motivation and experimentation.

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DEMOS

PUBLISHED BY DEMOS MAY 2024
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