

DEMOS

**POWERING  
PUBLIC SERVICE  
REFORM**

MAKING THE CENTRE  
WORK TO LIBERATE  
PEOPLE AND PLACES

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# INTRODUCTION

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In 2024, Demos delivered the *Future Public Services Taskforce*, making the case for a new 'liberated' model of public services. The work was enthusiastically received by reformers in government. Key initiatives - from 'Test, Learn and Grow' pilots to the latest Spending Review - already share its core principles: preventative, empowered, joined-up and innovative services, centred around people.

But while there is growing alignment around this vision - with enthusiasm building in parts of government and in local areas - there remains hesitation elsewhere. Some question how affordable, achievable or scalable this model of reform can realistically be - or whether it is politically saleable. In some cases, there are signs of a return to older, 'New Public Management' models of running public services, favouring market mechanisms such as league tables and payment-by-results over relationships and professional judgement.

And as ever, delivering reform is far harder than agreeing a vision - especially when that vision runs up against some of Whitehall's strongest instincts: centralisation, risk aversion, siloed working and short-termism. Too often, central government acts as a brake - rather than an enabler - of progress. The hardest task ahead isn't a question of policy design, but about shifting behaviours, assumptions and incentives at the heart of the system.

In the next phase, Demos wants to tackle those barriers head-on. Plenty of work has identified the reasons why reform is so hard; too little has asked why Whitehall behaves this way - and the changes needed - institutional and psychological - to unlock a different future.

**We are delighted to launch Demos' new programme, Powering Public Service Reform, where we will do just that. Read below to find out more, and get in touch if you'd like to be part of the conversation.**

## THE PROBLEMS WE'RE TRYING TO SOLVE

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Despite widespread agreement on the need for reform, certain patterns and behaviours continue to hold back meaningful change in government - especially at the centre.

### A CULTURE OF RISK AVERSION AND HIERARCHY

Some of the most promising examples of public service reform in recent years have emerged from places that operate on trust, collaboration and continuous learning - often far removed from the traditional culture of Whitehall. Deep-seated fears of risk, failure and loss of control are often expressed through rigid hierarchies, limited experimentation and defensive behaviour. Decision-making can feel closed and opaque, with information and ideas closely guarded.

If the goal is a more adaptive, innovative, and person-centred state, then the cultural environment in which decisions are made - especially at the centre - matters deeply. Yet culture is still too rarely treated as a strategic enabler of reform. We will seek out deliberate strategies to shift deeply embedded mindsets and norms, and how to institutionalise the conditions that support curiosity, openness, and continuous learning throughout the system.

***Workstream in a single question: what would it take to foster a more reforming culture at the centre - one that empowers others, embraces curiosity, and takes calculated risks?***

## ACCOUNTABILITY SYSTEMS THAT FOCUS ON CONTROL, NOT OUTCOMES

Accountability in central government has been shaped over decades by a culture of compliance, control and surveillance. Too often, it centres on what can be easily measured - through top-down targets, ring-fenced funding, and inspection regimes. This narrows the focus of public services to short-term outputs rather than long-term outcomes, and leaves little space for learning, reflection or local adaptation.

What's needed is a smarter, more proportionate system - one that is rigorous without being rigid, empowering without evading scrutiny and that favours curiosity and continuous learning over culpability and control.

***Workstream in a single question:** how can accountability be designed to empower places and professionals, while giving the centre confidence in outcomes and value?*

## FUNDING RULES THAT LOCK IN SHORT-TERM THINKING

The government's own ambition is to create preventative, integrated, people-centred public services. But its funding system pulls in the opposite direction. Fiscal rules, accounting conventions and budget processes in Whitehall are structurally biased towards short-term pressures - focusing on in-year spending, measurable outputs, and crisis management.

Demos' recent work on 'PDEL' has provided a new framework for promoting preventative spending. The next step is to consider how we make this shift feel compelling and practicable to policymakers, by demonstrating not only its practical value but also its political salience and public legitimacy. But delivering public services that are not only preventative, but also integrated and people-centred, requires a broader rethink of how the Treasury allocates funding to support collaboration, innovation and risk-sharing.

And in challenging fiscal circumstances, government is increasingly focussed on how to mobilise private and philanthropic investment towards social impact, launching the Social Impact Investment Advisory Group in February 2025. These conversations are growing in profile, but lack broader cross-sector insight from civil society, industry and investors outside of government. Crucially, there is much to learn from local examples of private investment driving social impact and how to support local leaders to collaborate to deliver long-term change - with central government enabling, not obstructing, this shift.

***Workstream in a single question:** how can the central government funding system move beyond short-term, siloed delivery to enable long-term, preventative, people-centred reform at scale?*

## DIGITAL TOOLS THAT RISK ENTRENCHING THE STATUS QUO

AI, data and digital technologies hold enormous potential to transform public services - not only by improving efficiency, but also by enabling more personalised, relational and empowering services.

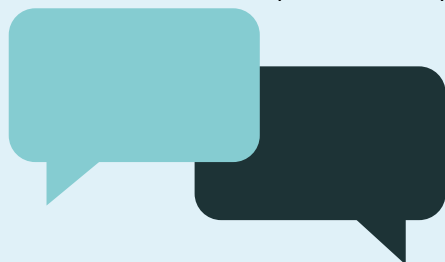
But it is vital that digital tools are not deployed solely for short-term cost-saving or to automate existing bureaucratic processes, but to redesign services around people's needs and unlock new forms of creativity, trust and human connection.

***Workstream in a single question:** how can digital tools, data and AI accelerate and support the shift to more people-centred services (and avoid reinforcing the wrong kinds of efficiency)?*

## TELLING A BETTER STORY

The language used to describe the vision for public services – “*relational*”, “*systems change*”, “*participatory design*” – speaks to important ideas, but can feel abstract or over-technical to the uninitiated. This risks narrowing the audience for reform to a self-selecting group of insiders, rather than building the broad coalition of political, professional and public support needed to drive real change at scale.

We need to tell a more **human story**: one that makes the values and benefits of people-centred public services immediately obvious and emotionally resonant. As part of this programme, we find and test new ways of talking



about reform, listening to the people who use and work in public services. This will also mean recognising different audiences may need different tellings of the same story – from Ministers to members of the public, from Treasury officials to frontline staff, from the reform-minded to the cynical and unconvinced.

## HOW WE’LL WORK

We want to work in ways that reflect the principles of the reforms we’re recommending — though we may not get this right all of the time (we’re still learning too).

- **We’ll work in the open:** We’ll share what we’re thinking and learning, being honest about the messiness of finding answers to hard questions. We’ll stay humble, welcome challenge, and invite ideas and collaboration from others.
- **We’ll connect the reformers:** We’ll find the people driving change — across central government and in local places — and create spaces for them to meet and collaborate. In so doing, we hope to accelerate the scale-up of local innovation into national change.
- **We’ll have a bias to action:** We’ll work in a way that matches the pace and urgency of reform, focused on rapid cycles of testing and learning, and practical solutions that can be applied quickly. This means moving away from the usual think tank playbook: think policy sprints and workshops, not roundtables and panel events; blogs and webinars over lengthy reports and launch events.

## GET INVOLVED

If you’re interested in this work, have ideas to share, or want to collaborate, we’d love to hear from you. Contact **Anna Garrod**, Director of Policy and Impact, at [Anna.Garrod@demos.co.uk](mailto:Anna.Garrod@demos.co.uk) or **Amy Gandon**, Fellow, at [Amy.Gandon@demos.co.uk](mailto:Amy.Gandon@demos.co.uk). And watch this space - we’ll be sharing more updates as the work unfolds.

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