

Public services performance tracker 2026

Cross-service analysis



About *Public Services Performance Tracker*

The *Public Services Performance Tracker 2026* annual report, published in partnership with the Nuffield Foundation, provides the most comprehensive stocktake of the Labour government's progress on public services since the 2024 general election. Using hundreds of indicators, it analyses spending, demand, staffing and performance across nine key public services: general practice, hospitals, adult social care, children's social care, schools, police, criminal courts, prisons, and the probation service.

This year's edition looks at how the government is progressing on its own stated goals for services, how progress varies across the country, and provides recommendations for how the Burnham government could improve performance over the remainder of this parliament. It also provides in-depth analysis of the Starmer government's record on public service reform as well as the cross-cutting issues facing local government, the NHS, schools and criminal justice services.



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Introduction

The 'honeymoon period' enjoyed by Keir Starmer's Labour Party in the summer of 2024 was possibly the shortest lived of any recent government – certainly one coming off the back of a landslide general election win. Walking into their new departments, ministers were confronted with a raft of problems inherited from their Conservative predecessors.

In the health department, Wes Streeting quickly declared the NHS "broken".¹ In the Ministry of Justice, Shabana Mahmood was confronted with a prison estate with functionally no available capacity, requiring an immediate response.²

Angela Rayner was bequeathed a local government system in the middle of a genuine financial crisis. Bridget Phillipson found knotty, long-standing problems across the education brief, from children's social care to special educational needs and disabilities (SEND).

Unlike the last Labour government, Starmer could not rely on a growing economy and consequent large tax receipts to provide unprecedentedly large funding increases to public services. And the outgoing Conservative government had laid him a trap too, signing off in 2024 with an unrealistically tight spending envelope that implied spending cuts that would – almost without question – worsen performance across many services for the years ahead.³

Once in office, Labour rapidly abandoned those plans. Starmer and his chancellor, Rachel Reeves, raised taxes in the 2024 autumn budget to fund larger settlements than the Conservatives' spending plans. That additional funding, combined with effective, targeted policy, meant that performance in some services – general practice and the police – has improved since the election. As a result, Starmer's successor Andy Burnham, prime minister since July 2026, has a slightly better inheritance on public services than his predecessor.

New prime minister, same problems

But the overall picture remains difficult. Burnham faces many of the same problems Starmer did, but now there is the added complexity of ongoing reforms in various services, kicked off by the Starmer and Burnham governments. Some are poorly conceived and executed, like Streeting's abolition of NHS England; others do not align with Burnham's goals, such as the ambition to create large regional police forces that do not align with other services' boundaries (a key aim of Burnham's much vaunted devolution agenda).

Burnham has already articulated a more coherent high-level vision for public service reform than Starmer, characterised by his 'devolution by default' approach. He has also outlined more specific goals, such as his intent to finally reform the adult social care sector. But while he has put more personal political capital into both than many before him, he would not be the first prime minister to make grand promises on devolving power and reforming adult social care, only to back away when faced with the realities of office.

Even if he remains committed to those pledges, there will still be many testing moments over the coming months and years that will hinder his reform programme and wider attempts to improve performance. Reeves' 2025 spending plans were more generous than her Conservative predecessor's but still imply cuts (for the prison service) and funding increases that may not meet expected demand (in the police and hospitals). Stretching performance targets, extensive reform programmes and the ever-present spectre of another period of higher-than-forecast inflation pile pressure on other budgets.

Priorities for the Burnham government on public services

We lay out three priorities for Burnham on public services in the early days of his government:

1. Burnham should **clarify the principles that will underpin his 'devolution by default' reform agenda**.⁴ That is a welcome direction of travel. But he should lay out the principles by which departments decide which powers to devolve and to which level or organisations within government.
2. Burnham should **rapidly clarify which ongoing reforms he wants to stop, adapt, or continue** and use the power of the prime minister to ensure they are better co-ordinated than they were under Starmer.
3. Burnham should **use this year's budget and next year's spending review to better support his cross-cutting priorities**.

This report will first describe the changes in public service performance under the Starmer government, then assess that government's public service reform agenda and the effect it has had on services. It will then examine Burnham's proposed approach to managing public services and some of the challenges that he will face over the rest of this parliament. It will finish by making recommendations for how Burnham can improve performance before the next election.

This report draws on analysis of publicly available data and dozens of interviews with government officials, employees in public bodies, staff in front-line services, and experts from other organisations.

Table CSA 1.1 Service performance ratings, October 2026

	Performance change, 2010–24	Progress made by Starmer government, 2024–26	Expected performance change 2024–29	Reason
General practice and community care	 Worse	Some progress	 About the same	The NHS has recruited many more salaried GPs. That has flowed through to improved access. Patient satisfaction has improved. But there has still been no progress on GP partners and single-year contracts create financial uncertainty. Children are waiting much longer for community care than in 2024.
Hospitals	 Much worse	Little progress	 Better	Without a change in prioritisation, the NHS will continue to make progress on elective care, though will fall far short of its 2029 target. Areas like A&E and diagnostic waiting times may remain somewhere near 2024 levels. More substantive change will be hindered by structural reorganisation.
Local government financial sustainability	 Much worse	Some progress	 About the same	Starmer's government simplified funding flows, better aligned funding with need, and eased pressure from SEND deficits. However, more and more councils are caught in a financial doom loop, relying on short-term fixes that heighten future financial pressures.
Adult social care	 Worse	Decisions made have exacerbated challenges	 Worse	The Starmer government made it harder to recruit from abroad. That has so far not prevented improvements in access but may have stored up workforce problems for the coming years. Any reforms that Burnham manages will be unlikely to have had much of an effect by 2029.
Children's social care	 Worse	Good progress	 About the same	Starmer's government set out a clear and ambitious reform vision, but many changes are upstream and will take time to bear fruit, and other reforms are competing for local government capacity.
Schools	 About the same	Some progress	 Better	Starmer's government set out a SEND reform plan, but important details remain unclear and meaningful change is unlikely until at least 2030. Attainment and absence should improve as post-Covid disruption recedes, while falling pupil numbers ease pressure on teacher supply.
Police	 Worse	Good progress	 Better	The government substantially increased officers and police community support officers in neighbourhood roles, and its focus on knife crime and violence against women and girls is driving activity. But continued progress is likely to rely on further funding increases.
Criminal courts	 Much worse	Little progress	 About the same	Activity and capacity have increased, but not enough to meet demand. Even if performance starts to improve, it will take a long time to bring down backlogs and delays.
Prisons and probation	 Much worse	Some progress	 About the same	Efforts to free up prison and probation capacity were reasonably successful. This allowed some progress on prison violence and conditions, but changes made by Andy Burnham risk undoing much of this.

Part 1: The Starmer government's record on public services

How did public services fare under the Starmer government, from July 2024 to July 2026, and what reforms were begun in this period?

Starmer steadied the ship in some services and improved performance in other areas

Smart policy choices and additional money helped the Starmer government to stabilise performance across many public services and improve performance in others, sometimes markedly.

In the NHS, the government hit its first target for elective* waiting times. Patient satisfaction with general practice also increased, likely facilitated by a large expansion of the salaried GP workforce. In both cases, however, performance still lags pre-pandemic levels.

Absence rates fell in schools, though from record levels following an explosion during and after the pandemic. The government has also recruited more teachers since the election and is on course to hit its target, although not necessarily to meet actual demand. The relative performance of England against other countries in reading, maths and science also improved, though this was largely due to reforms implemented by governments over the 2010s.⁵

Local government finance, long in a state of collapse, was another area where Starmer's government took difficult decisions. It implemented a long overdue redesign of the funding system, directing money towards more deprived local authorities. Combined with larger-than-expected funding increases, local government funding is now due to return to 2010 levels by the end of this parliament, providing councils with some much-needed breathing room. Even that extensive programme may not be enough, however, to return the sector to financial stability. Funding will still be almost 14% lower in real terms on a per person basis in 2028/29 than in 2010/11. Too many councils still rely on one-off funding sources – such as reserves, additional borrowing or asset sales – to fund day-to-day services.

Starmer's government faced arguably the most difficult immediate challenge in the prison system, which was weeks away from completely running out of spaces. Shabana Mahmood, the then justice secretary, successfully avoided disaster with an initial decision to release some prisoners after 40% of their sentence in September and October 2024 (rather than 50%), while her successor, David Lammy, passed legislation to stabilise the prison population. Prisons are still in a bad state, sometimes severely

* This is planned care that NHS hospitals provide – for example, hip replacements or cataract removals – and contrasts with the emergency care that they provide.

so – but keeping the system going at all was a significant achievement given how bad the situation was in July 2024, and there were even some signs of improving performance towards the end of the Starmer government.

In policing, the government substantially exceeded its first-year target to increase police officers in neighbourhood roles, which grew by 3,800 in the year to March 2026 against a target of 3,000 – an increase of 22%. Knife crime, another of the Starmer government's key priorities, fell 10% between 2023/24 and 2025/26.

Facing a record backlog, in 2025 the crown court closed more cases than in any year since 2016. The government has also facilitated the expansion of key workforce groups – in the Crown Prosecution Service and criminal lawyers – after additional investment.

The Starmer government laid the groundwork for potential future improvements in performance

There are also some areas where Starmer's government launched reform programmes or initiatives that didn't immediately lead to improvements, but which may contribute to them over time.

Children's social care is an obvious example. The government closely followed the recommendations made by Josh MacAlister (now the minister for children and families in the Department for Education) in his independent review of the care system. It duly allocated more money for services designed to keep children with their families and out of the care system, such as multi-agency child protection teams in every local area.⁶

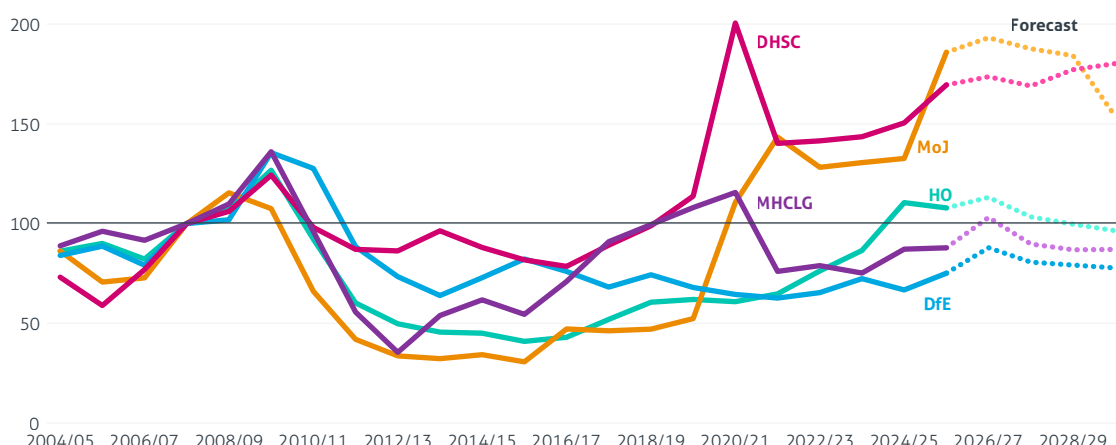
Many of the reforms in the January 2026 police white paper are also likely to improve performance, including a National Police Service and reforming the oversight and assessment of police performance. Relatively little progress has been made on the structural reforms to policing so far, but the new performance processes are already up and running and most interviewees thought they would drive meaningful improvements.

The government also launched the first stages of its special educational needs and disabilities (SEND) reforms, aimed at better integrating local services around children and preventing the rise of acute demand for those services.

In these cases, the benefits of these reform programmes may only be felt in several years' time, not least because much of the money that the Starmer government allocated for those programmes has not yet been spent.

The Sentencing Act would also have likely generated performance improvements in the prisons system over the rest of this parliament, as prisoners were released early, freeing up space. Since the changes the Burnham government has introduced, however, these improvements have become much less likely. Prison capacity will remain significantly more constrained for the foreseeable future, even if further crisis is avoided.

Figure CSA 1.1 **Real-terms capital spending by public service departments, actual and forecast, 2004/05–2029/30 (index, 2007/08 = 100)**



Source: Institute for Government analysis of HM Treasury, 'Public Expenditure Statistical Analyses', 2009–26, HM Treasury, 'Spending Review 2025' and HM Treasury, 'Spring Forecast 2026'. Notes: Capital spending refers to capital departmental expenditure limits (CDEL). Annual changes in CDEL have been used to construct a time series that accounts for changes in departmental responsibilities.

Starmer also substantially increased capital spending compared to levels in the 2010s. In particular, DHSC and MoJ capital spending reached the highest point in real terms in any year on record (excluding pandemic years for the NHS) in 2025/26. Budgets for both departments are due to remain well above 2010s levels for the rest of the spending review period.

The MoJ is spending a good portion of its allocation on expanding the prisons estate to increase capacity.⁷ DHSC plans to spend its budget on initiatives including new neighbourhood health centres, upgrading the existing primary care estate, trying to bring down the maintenance backlog in hospitals, and delivering the New Hospitals Programme launched by the Johnson administration.⁸

Home Office and MHCLG capital spending is not as high relative to historic levels as those departments but will be above the average level of the 2010s throughout this Labour government.

These boosts in capital budgets were certainly welcome. The preceding coalition then Conservative governments neglected that area throughout the 2010s, leaving many services on their knees on the eve of the 2024 general election (as successive Performance Trackers have shown). However the benefits will take a while to work through the system, as capital projects like building prisons, hospitals or neighbourhood health centres typically take years to conclude, and as services work their way through extensive maintenance backlogs.

This means many of the improvements promised, and funded, at the start of this parliament may only just be felt by the public at the end of this one, if not the start of the next.

Performance improved after the Starmer government filled some key staffing gaps, though other gaps remain

A clear trend across public services under Starmer was improvements in key staffing areas. These are staff groups where insufficient numbers created bottlenecks to effective working within and across systems, but where previous governments had failed to redress shortages.

In the NHS, the Starmer government rapidly expanded the salaried GP* workforce from 10,825 in June 2024 to 14,355 in August 2026, an increase of almost a third (32.6%). That workforce had been growing under the Conservatives, but much more slowly. The average monthly increase was 37.8 between September 2015 and June 2024, compared to 135.7 under the Labour government, though issues remain with how these staff are employed, and there are questions about how durable that growth might be.

Regardless, progress in this area has likely increased access to general practice, led to more GP appointments and contributed to higher patient satisfaction in 2026.

At the same time, however, the government did nothing to reverse the long-term decline in the GP partner workforce: there was a drop of 945 (5.9%) of those staff between June 2024 and August 2026. The fall is far greater since 2015: 30.5%. GP partners are vital for the effective working and sustainability of general practice. Partners are essentially small business owners that have a contract with the NHS to provide services, which it could not deliver itself in total, meaning that the current model of general practice cannot exist without them. They are also the staff that are associated with the largest increases in satisfaction and appointments.⁹ Doing nothing to reverse the decline was a major oversight by the Starmer government.

That government also successfully pursued growth in the criminal legal workforce, both in-house in the Crown Prosecution Service (CPS) and HM Courts and Tribunals Services (HMCTS) and among criminal defence lawyers. CPS crown advocates increased by more than 10% from 2024/25 to 2025/26 thanks to a substantial funding boost in the 2025 spending review, with a further rise expected in 2026/27. HMCTS hit its target staffing level of legal advisers in magistrates' courts in 2024/25 following a recruitment drive, and there are also signs higher legal aid spending is increasing the number of criminal legal aid barristers and duty solicitors.

Given further increases to legal aid rates under Starmer, we expect that workforce to grow again in 2025/26. Shortages across these roles have been a major constraint on capacity and productivity in recent years, so this growth should help address criminal court backlogs. There is also evidence of increasing numbers of criminal defence lawyers.

* Salaried GPs are employed as permanent staff, but they do not own a practice like a GP partner.

In the magistrates' courts, the Starmer government made some progress growing the number of magistrates, by 2.3% per year between 2023/24 and 2025/26, bringing the total number to just over 15,000. That is still far short, however, of the 21,000 that the MoJ estimates it needs by 2028/29. To meet that, the government would need to grow the number of magistrates by a wholly unrealistic 11.2% per year between 2025/26 and 2028/29.

And while the number of criminal barristers has grown in recent years, the number of criminal King's counsel (KCs, the most senior barristers) continued to decline and was 24.4% lower in 2024/25 than in 2017/18.

In local government, there were record numbers of child and family social workers in the sector in 2025: 36,186 up from 34,328 in 2024, a 5.4% increase.¹⁰ This may be partly attributable to Labour's new regulations of agency working in the sector,¹¹ which were intended to increase the attractiveness of permanent employment over agency working.

The adult social care workforce continued to grow in 2025/26 from 1.57million filled posts to 1.59million, a 1.4% increase, though this is far lower than the average growth between 2021/22 and 2024/25, which was 4.2% per year. As has been the case since at least 2020/21, that growth was driven by an increase in staff from outside the UK working in the sector while the number of British staff continued to decline. That has happened despite the government ending the health and care visa route for new care worker applicants based abroad in 2025. Just under a third (32.5%) of staff in the sector are now from outside the UK, compared to 15.5% in 2020/21.¹²

In schools, the government is on track to far exceed its teacher workforce target (but not necessarily to meet demand for teachers). It has also improved its performance against recruitment targets for shortage subjects, but mostly because the targets were reduced – partly due to falling pupil numbers – rather than because recruitment increased substantially.

Throughout the 2010s, the proportion of hours that were taught by teachers that did not have a qualification in that subject dropped, reaching a low of 11.2% in the 2021–22 academic year. The lack of expert teachers in schools means that that proportion has crept back up, and reached 12.9% in 2025–26, higher than at any point since 2015–16.

This puts Starmer-era reforms at risk

The Starmer government's inability or unwillingness to address some of these areas poses a direct risk to its own reforms. A growing GP partner workforce is required to sustainably increase capacity in general practice and achieve the government's ambition of a 'GP-led' neighbourhood health service. In the courts, the government's proposed reforms to the system would result in the magistrates' courts handling more cases. Unless it can grow the magistrates workforce, that will put severe strain on that sector. The government's 2025 changes to the health and care visa and proposed changes to settlement rules may result in a large exodus of social care staff in 2027

and 2028, when their five-year visas expire (workers will be able to renew their visa if they remain with the same employer). If many do choose to leave, they may leave a large hole in the social care workforce.

Improvements in priority areas mask a lack of progress elsewhere

Frequently, services improved most in the areas that ministers prioritised. In the NHS, Starmer's government tied its agenda almost entirely to improved elective waiting times. In the police, it was neighbourhood policing, knife crime, and violence against women and girls (VAWG). In the courts, growing key parts of the workforce. And in prisons and probation, improving capacity.

In each case, the government has seen improvements in its selected areas. But, given limited funding envelopes, that has often come at the expense of performance elsewhere in those services. That is positive if the priorities are the right ones to deliver the government's goals. In the criminal justice system, the government chose the right priorities – prison and court capacity – given the most urgent problems it faced and its long-term goals.

In contrast, the NHS's focus on elective care often led to the system deprioritising the government's other supposed priorities, such as a shift to community care or a greater focus on prevention. This was a mistake. The elective target has reinforced the NHS's tendency to disproportionately direct funding and attention towards hospitals. And even within hospitals, the prioritisation of elective performance means there has been minimal improvement in poor A&E performance.

In contrast to those systems, the Starmer government never had a clear hierarchy of priorities in children's services (such as schools, SEND and children's social care). Instead, it seemed to pursue its myriad initiatives equally. There was no clear sense of which objectives took precedence between, for example, attainment, absence and inclusion. The government can afford to be more ambitious than previous governments, as falling pupil numbers reduces pressure on the schools' budget. But it is still spreading resources very thin.

The lesson is that political prioritisation and focus drives attention in services. When forced to decide between an area with high political focus and another area services will direct time and resources towards the politically important one. They will also allow other areas (such as A&E and the community shift in the NHS or improving purposeful activity in prisons) to drift, even if they have an explicit target or strategy to improve.

Interdependencies within systems meant that improvements in one area created problems elsewhere

There is also an emerging pattern of successes in one part of a service leading to deteriorations elsewhere, generating a form of public services whack-a-mole.

In the NHS, the government has increased the use of 'specialist advice' – when a GP consults with a specialist colleague in a hospital before making a referral for elective care – to divert cases away from the elective waiting list. That has improved elective performance but arguably pushed pressure into community and primary care. There is some evidence that it is also leading to lower quality care.¹³

In the criminal justice system, the much-publicised early release scheme and sentence reform to reduce pressure on prisons pushed demand into the already-stretched probation service. Rising numbers of police charges, the result of greater activity among forces, continue to pile cases on to courts already struggling with record backlogs – while the Starmer government's proposals for the courts system would reduce pressure on the crown courts, but would increase the workload for the magistrates' courts.

Many areas are still struggling

Despite progress, Starmer's government did not put public services on a trajectory that would return performance to pre-pandemic levels or, in many cases, meet the commitments ministers made. In many services, improvements on key targets often obscured a more nuanced picture.

Despite claiming to want to shift resources and care away from hospitals and into the community, the government continued to de-prioritise that sector. As a result, the waiting list for children's community services is rising uncontrollably, with more than 25% waiting a year or more for care compared to 14% at the time of the election.

While access to publicly funded adult social care crept up under Starmer, more than a third fewer people access care than in 2009/10, when accounting for population growth. Access also grew far less slowly than spending, reflecting rapidly rising costs of providing care, without commensurate increases in quality. The Starmer government ducked reforming the sector, instead passing the decision to Louise Casey. Untouched, the largely broken system continued to exert pressure elsewhere: delayed discharges from hospitals stayed unacceptably high, slowing flow through hospitals and contributing to high A&E waiting times and likely slowing the reduction of the elective waiting list.

While the government's reforms to local authority funding was the correct step, it continued to rely on one-off funding sources – such as borrowing and asset sales – to fund local government services. That has kept council 'bankruptcies' (section 114 notices) out of the press but has merely served to push the crisis into the future. Local government borrowing is rising, and faster among the councils in most financial distress. It will take them decades to repay those loans, while imposing interest costs on residents in the meantime.

Mirroring the situation in 2024, Burnham inherits a prisons system that is rapidly running out of places. Some of the decisions he has taken since coming into office have exacerbated those issues, as discussed in more depth below. The probation service is also under immense strain, with a further wave of early releases contributing to staff's workload.

Starmer's public service reform agenda was less than the sum of its parts

In his time at the head of the Labour Party, Keir Starmer made much of his plans to reform public services. In 2023, he said that services could not expect "vast sums of money" and argued instead that it was "reform or bust" if Labour wanted to improve public services.¹⁴ However, despite some positive changes to funding and a handful of promising pilots, Labour took power without a strong theory of *how* to carry out reform across services in practice.

Changes to funding flows were a big step forward

Starmer's government set longer term funding settlements for more services than in recent years. This was a key step in supporting his reform principles. Longer term funding allows services to plan spending across multiple years, supporting longer term thinking on preventative services.

This started at the top. Starmer and Reeves' decision to conduct a multi-year spending review was a wise one and was long overdue. The Conservative governments fell into a pattern of more ad hoc, single-year settlements, leaving departments unable to plan beyond the following March. Even the 2021 spending review – ostensibly set for multiple years – ended up more as a succession of single-year settlements as higher-than-forecast inflation meant that the government had to keep providing top-ups. Often, though, government preferred single-year settlements because it gave them more flexibility, not tying their hands over the coming years.

Crucially, under Starmer some departments mostly passed the multi-year settlement down to services. In 2025, the government ran the first multi-year local government finance settlement since 2016/17.¹⁵ In the NHS, the government set targets and allocated funding between 2026/27 and 2028/29 through the Medium-Term Planning Framework – setting budgets for integrated care boards.¹⁶ As justice secretary, David Lammy made funding commitments for the crown court up to 2028/29.

This was not, however, a common approach across all services. Departments continued to use single-year settlements for the school systems, general practice, police, prisons and probation units.

Starmer's government also reduced the number of ring-fenced pots of money for services. Ring-fencing funding reduces local services' control over funding, requiring them to spend it on areas of importance for central government. Loosening restrictions supported Starmer's devolution principle, putting more control in the hands of those nearer the front line.

These reforms were most obvious in local government funding, where central government merged funding pots for areas like children's services.¹⁷ The Starmer government also replaced several conditional grants for policing linked to maintaining officer numbers and replaced them with a single conditional grant focused on officers in neighbourhood roles, increasing local forces' control over how they spend their money.

In her first stint as secretary of state for housing, communities and local government, Angela Rayner also launched the Fair Funding Review 2.0. This was an overhaul and update of the funding formulae that determine how government allocates grant funding to councils. The government ensured that those formulae would direct more funding to more deprived parts of the country, redressing the larger cuts that those local authorities experienced in the 2010s.¹⁸

Finally, the Starmer government launched five place-based budgeting pilots – initiatives that aimed to combine disparate funding streams in a local area,¹⁹ in line with recommendations we have previously made.²⁰ This type of funding arrangement would also support better integration of services. These provide a foundation on which Burnham could build a better integrated funding system for local areas.

There were other, smaller programmes that reflected an emergent approach to public service reform

The Cabinet Office launched the 'Test, learn, and grow' (TLG) programme. This is an iterative approach to public service reform in which local areas are encouraged to try new ways of designing and delivering services, keeping what works, leaving what doesn't and disseminating what they have learnt to the rest of the sector.²¹ This is a positive approach to reform, moving away from top-down prescriptions from departments and towards a more decentralised model. The government has trialled this in 10 areas across the country, with each area tackling a specific 'challenge', such as encouraging uptake of Best Start family hubs.²²

The Starmer government also designated Greater Manchester Combined Authority (GMCA) the 'prevention demonstrator'. That status afforded GMCA greater flexibility over services. It is using that flexibility to attempt to integrate its health, employment support, family support and housing services to better fit residents' needs.²³ In practice, they have rolled out multi-disciplinary neighbourhood teams and Live Well centres, which provide space for co-located services and community and voluntary groups.²⁴ Given this is a programme that Burnham oversaw in his time as mayor of GMCA, this could act as a blueprint for his approach, as prime minister, to reform across England.

The thinking behind these and myriad other initiatives was positive but they ended up being poorly co-ordinated. In interviews, staff working in local services welcomed the principles and ethos of these small programmes, but they also expressed frustration. They argued that many were broadly attempting to do the same thing but with little co-ordination between them. As a result, front-line staff often struggled to distinguish between these programmes, resulting in duplication of work reporting into different well-meaning Whitehall teams.

Likewise, there was too little buy-in from senior politicians and senior civil servants, preventing them from becoming the blueprint for a wider public service reform agenda. Both programmes are in their early stages, and the Burnham government should ensure it supports them with sufficient analytical capacity and capability to ensure that lessons are captured effectively.

Missions did not drive meaningful public service reform

Starmer's first attempt at a reform agenda was his five missions. Labour's missions were inspired by the work of the economist Mariana Mazzucato (though she would distance herself from Starmer's version of the missions).²⁵ Missions were supposed to focus on solving long-term, complex problems that often require working between departments.²⁶

Three of Starmer's missions – the NHS, safer streets and opportunity missions – broadly map on to the work of the NHS, the police and education settings respectively. Each mission was given a 'milestone', a target the government wanted to achieve by the end of the parliament. These were:

- NHS mission: 92% of patients seen within 18 weeks of a referral for elective care.
- Safer streets mission: 13,000 more personnel in neighbourhood policing roles.
- Opportunity mission: 75% of five-year-olds reaching a good level of development.²⁷

The government argued that these targets would drive better cross-departmental working. But the missions never got off the ground. For more than a year, until the appointment of Darren Jones as both chief secretary to the prime minister and chancellor of the Duchy of Lancaster, there was no clear minister in charge of driving the missions across government from the centre.²⁸ 'Mission boards' were set up – as inter-ministerial groups that were intended to drive missions across Whitehall – but these never fulfilled their delivery roles.²⁹ Perhaps most damning was that at the 2025 spending review there was little or no sign that the missions had meaningfully guided how spending was allocated.

There were some attempts to co-ordinate activity across government. But this largely happened in an ad hoc way, led by groups of staff in particular departments rather than co-ordinated from the centre. Ironically, that led to multiple, uncoordinated teams in different departments trying to co-ordinate.³⁰

It didn't help that Starmer appointed the secretaries of state of the lead departments as chairs of the 'mission boards', not least as he had said he would chair them himself. If chaired by the prime minister or the chancellor of the Duchy of Lancaster, the boards could have provided a more robust scrutiny role, pushing the lead department from the outside to work more effectively across government. That they did not rests with Starmer. He did not use the power of the prime minister to focus attention or co-ordinate cross-departmental work.

Partly, the milestones themselves hindered progress. In the health and safer streets missions, responsibility for reaching the milestone target largely fell within the control of the Department of Health and Social Care (DHSC) and the Home Office respectively.

If instead Starmer had widened the NHS mission to be a health mission and chosen a longer term outcome as the metric for its success – for example, improving healthy life expectancy – then it could have encouraged DHSC to co-operate more with departments such as DfE, DfT, Defra and MHCLG, where responsibility for many of the wider determinants of health sit.

On the opportunity mission, the target for 75% of reception-aged children to be reaching a 'good level of development' (GLD) by 2028/29 was poorly conceived. The metric is pass–fail, assessed by teachers, unmoderated and only applies to one cohort (2028/29 reception age). As the Institute for Government has argued previously, this can encourage 'gaming'. Placing duties and targets on local authorities might incentivise them to co-ordinate local SEND, education and other preventative services (like early development checks conducted by health visitors) better and earlier. But there is little evidence that the target was meaningfully changing how DfE and DHSC, for example, worked together.

The safer streets milestone was arguably the best of the three. As we argue in the policing section, despite being an input target, it has been effective in increasing the number of personnel in community roles, and visible community policing helps to drive public trust and supports intelligence gathering.

In the end, then, Starmer's missions failed to act as either a framework for reforms or as a catalyst for better cross-departmental working.

Starmer's rhetoric around reform was contradicted by the government's actions

Missions were not the only way, however, that Starmer could have driven reform across public services. He could have also ensured that the many reform programmes started by departments aligned with his broader vision for what he wanted services to achieve. But his government failed to do that as well. First, it took the government a year to articulate even the thinnest vision of what they wanted public services to achieve, publishing their three principles of public service reform at the 2025 spending review. These were:

1. To integrate services, so they "are organised around people's lives"
2. To shift the focus of services towards prevention
3. To devolve power to local areas "that understand the needs of their communities best".³¹

These were welcome principles and aligned with our previous recommendations for how the government should manage services.³² But on their own, these were insufficient as a framework to drive reforms. Starmer's government also never made clear how these interacted with the missions. Ideally, these principles should have been stated right after, or even before, the election, and informed subsequent decisions.

Worse, while the Starmer government did follow these objectives in some cases, the overall trend of reforms often pushed in the opposite directions: far from devolving power, for instance, its instinct across 2024 and 2025 was to centralise power,^{33,34} making prevention and integration more difficult. Reforms were driven by individual Whitehall departments and ministers, with little consideration of how they hung together as a whole. This was made worse still by the fact that, by the time of the spending review in June 2025, DHSC, DfE, and MHCLG were all steaming ahead with their own reform programmes.³⁵

Maybe worse, Starmer did not require that departments co-ordinate the large-scale structural reorganisations that departments launched or continued in local government, the NHS, the police, and at a strategic authority level. That was a missed opportunity – and unaligned boundaries between those services makes it much harder for them to work together, as Burnham’s government has now recognised. Starmer should have used the rare opportunity of concurrent reorganisations to correct that wrong, supporting his aim of integration. Instead, he allowed them to create a newly incoherent map.

Starmer made some of the same mistakes as his predecessors

Aside from Starmer’s failures to use missions as a basis for public service reform and to follow through on his promises of large-scale public service reform, he also fell into more familiar, damaging approaches to managing public services, which echoed his predecessors.

Starmer’s reforms threaten to further erode management and administrative capacity in services

We have argued before that most services have too little management and administrative capacity,³⁶ which limits services’ ability to plan strategically and therefore contributes to sluggish productivity growth.³⁷ This is particularly true in the NHS, where a far smaller proportion of the workforce is employed in management roles than in the private sector³⁸ (3% vs 11%). But it is also the case in the police and most likely the criminal courts and local government.

A lack of analytical staff across most services also harms preventative, joined-up initiatives, which require deep understanding of local demographics and needs. As with previous governments, Starmer’s administration made no systematic attempt to improve analytical capacity across services.

The Starmer government also assumed that the roll-out of artificial intelligence (AI) technologies over the course of this spending review period would result in productivity improvements in public services.³⁹ Crucially, though, for the government to successfully implement AI systems in services, it will need sufficient management and technical capacity in public services.

For the most part, Starmer’s reforms worsened that situation through the pursuit of back-office savings.*

* There are exceptions. The government increased management capacity in the probation service.

In the NHS, there are three levels where the service is losing management, analytical and administrative capacity. At a national level, the government is targeting 50% headcount cuts from the merger of NHS England and DHSC. It is similarly asking integrated care boards (ICBs) to cut 50% of staff. Finally, on the front line, tight finances in NHS trusts means that they have had to cut non-clinical staff.

This picture is not confined to the NHS. There has been no significant increase in HM Courts and Tribunals Service (HMCTS) workforce, despite growing demand and complex changes planned to case listing processes. Local government is also focused on cutting back-office staff through local government reorganisation, despite weak evidence that it will lead to meaningful savings.

Cutting these staff to save money is a false economy that has repeatedly backfired on previous governments.

Reorganisations distracted attention from other reforms

Across the courts system, local government, the NHS, the police, SEND and children's social care, among others, Starmer's government launched structural reforms – redesigning the organisations that govern and run services, including police forces, councils, and ICBs in the NHS.

Structural reforms can be beneficial. When existing structures impede a government's ambitions for the service, then it makes sense to redesign them. But it is vital in that case that form follows (desired) function. Similarly, there can be sense in updating structures if the context in which services operate changes substantially. For example, a district tier of local government makes less sense when there is full coverage of strategic authorities across the country.

Structural reforms were probably attractive to ministers because they were relatively cheap compared to other reforms – and could even be pitched as cost saving (though the government tends to overestimate the savings from large-scale reorganisations, and understate the cost of implementing them).⁴⁰ They are also highly visible, showing that this or that minister is doing *something*.

Some of these reorganisations were more justified than others: the creation of a national police force should provide national strategic direction for policing as well as improved co-ordination on professional standards and vetting. But often, Starmer's government launched structural reorganisations with little clarity of purpose or clear plan for what it was supposed to achieve.

The most egregious of these was the abolition of NHS England and the reorganisation of ICBs. As we've written before, the government sprang both on unsuspecting systems, damaging relations with staff.⁴¹ It then constantly changed its rationale, swinging from saving money through redundancies to improving accountability of systems to the centre. More than a year and a half on from Starmer's announcement, the NHSE abolition is drifting, suffering from no clear political direction.

Even where the rationale is clearer, the government seemed to fail to consider the effect that these would have on other priorities. Reorganisations distract from other goals. With limited staff time, it was short-sighted of Starmer's government to expect that staff would be able to deliver priorities like a neighbourhood health service, better inter-agency working on SEND, or children's social care reforms while management and organisational attention is turned towards the redesign of their organisation. Interviewees in local government repeatedly emphasised how difficult it was to improve adult and children's social care, homelessness and SEND services while also reorganising their council.

Burnham inherits Starmer's difficult fiscal choices

Many of those problems will not go away now that Burnham is in office. Indeed, some of them may become more unmanageable over the next few years.

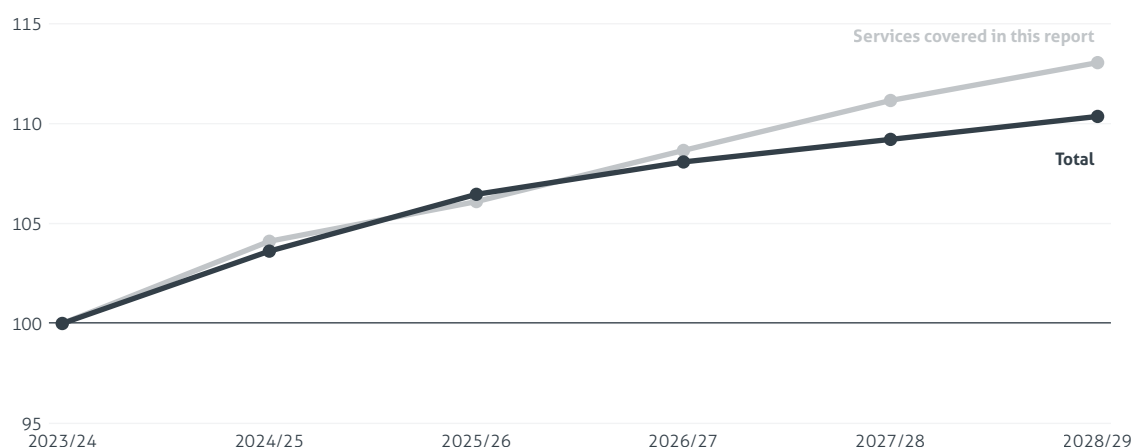
Funding increases were slightly front-loaded for the services we examine

Burnham cannot rely on large funding injections to improve public services over the remainder of this parliament. The Starmer government increased total day-to-day funding substantially in 2024/25 and 2025/26 compared to pre-election spending plans. After 2025/26, however, the spending profile is flatter.

Funding for the services that we examine in this report follows a similar pattern for the first two years but then has more generous annual increases than the total spending envelope between 2026/27 and 2028/29. Partly that is because other areas have cuts baked in over the rest of this parliament, notably asylum spending in the Home Office⁴² and a reduction in Covid-related passenger subsidies for the Department for Transport (DfT).⁴³ And partly it is because funding for police and local government include rising council tax receipts, which outstrip government-wide spending.

As a result, real terms funding increases will slow from an average of 2.8% per year between 2023/24 and 2026/27 to 2.0% per year between 2026/27 and 2028/29 for the services that we look at. In contrast, the same numbers are 2.6% and 1.0% for the overall spending envelope.

Figure CSA 1.2 **Day-to-day government spending, total and services covered in this report, 2023/24–2028/29 (index, 2023/24 = 100)**



Source: Institute for Government analysis of MHCLG, 'Local government finance settlement 2026/27–2028/29' and HM Treasury, *Spending Review 2025* ('Table 5.3: Resource departmental expenditure limits (DEL) excluding depreciation'). Notes: Day-to-day spending refers to resource departmental expenditure limits excluding depreciation (RDEL). Services covered in this report are the NHS, local government, schools, police, courts, and prisons and probation. Schools figures are an estimate for mainstream, 5–16 schools. Figures for other services are RDEL envelopes. Full details of coverage are set out in the Performance Tracker 2026 Methodology.

Despite that additional investment in the first two years of this parliament, there have not been large performance improvements. Partly that is a result of comparison. Marginal performance improvements may not feel like a large success. But it is likely that performance would be much worse than current levels if the Starmer government had stuck to pre-election spending plans. It is almost certain, for example, that there would have had to be much more emergency financial support for local authorities.

The NHS received relatively large funding increases compared to other services over the spending review period, approximately 3% real-terms annual increases. But those increases are still modest by historical standards and have been targeted at reducing the large backlog in elective demand that built up during the pandemic. Much of that has been to support short-term activity, rather than address wider causes of demand, or to create capacity elsewhere in the system. Meanwhile, other areas – urgent and emergency care, primary care and community care – have had to cut their cloth to a far greater extent.

The optimistic case is that there could be tailwinds for Burnham from some of the spending that happened in 2024/25 and 2025/26. Sectors will often use additional funding to hire more staff and it can take a while for those staff to either join the permanent workforce (if they require training) or to become as productive as their more experienced colleagues. Other areas have spent money on longer-term investments – such as in children's social care – which may bear fruit over the coming years.

Similarly, large increases in capital spending could have a longer time lag before impact is felt. For example, the prisons building programme has just begun and the government is due to open hundreds of neighbourhood health centres over the coming years.

Some settlements look unrealistic over the rest of this spending review period

It may be the case that Burnham comes under increasing pressure to top up service budgets to improve performance before the next election.

Figure CSA 1.3 **Average annual real-terms change in day-to-day public services funding between 2023/24 and 2028/29, relative to demand, by time period**

Service	2023/24–2026/27	2026/27–2028/29	Entire period
General practice	0.9%	1.7%	1.2%
Hospitals	0.6%	1.0%	0.7%
Schools	3.4%	0.1%	2.1%
Local government	1.7%	0.7%	1.3%
Criminal courts	1.4%	0.9%	1.2%
Prisons	2.0%	-3.9%	-0.4%
Police	1.1%	-0.4%	0.5%

Source: Institute for Government analysis of HM Treasury, *Spending Review 2025* ('Table 5.3: Resource departmental expenditure limits (DEL) excluding depreciation') (funding) and other sources (demand calculations) – see Methodology. Notes: Day-to-day funding refers to RDEL. Schools figures exclude the high needs block and are an estimate for mainstream, 5–16 schools. Local government covers neighbourhood services, children's social care and adult social care. Green refers to spending plans more than 1 percentage point above zero, amber to plans within 1 percentage point either side of zero, and red to plans more than 1 percentage point below zero.

All the services that we look at likely* had near to sufficient additional funding between 2023/24 and 2026/27 to compensate them for increases in underlying demand. Of those, prisons and schools funding outstripped demand by the most, with a 2- and 3.3-percentage-point difference respectively between the increase in demand and the increase in funding per year.

The picture looking forward – for the years between 2026/27 and 2028/29 – is less rosy for some services. There is sufficient funding to compensate general practice and hospitals for anticipated changes in demand.

But for criminal courts, the police, schools and local government, settlements look much less generous. In those areas, funding increases are likely to be very close to demand increases.

By far, however, the least generous settlement is in prisons, where we project that there will be a real-terms *decline* in spending in 2027/28 and 2028/29. That is despite an expected increase in demand for prison spaces in those years.

Across the entire parliament, schools, general practice, local government and courts will have funding that should allow them to meet additional demand with slack left over to improve performance. Settlements will be much tighter in hospitals, police and prisons, relative to the increases in demand they face.

* We say "likely" because there is only outturn data for one service (criminal courts) for 2025/26 and none for 2026/27, as it is ongoing. Estimates for the other services are based on assumptions that we explain in the Methodology.

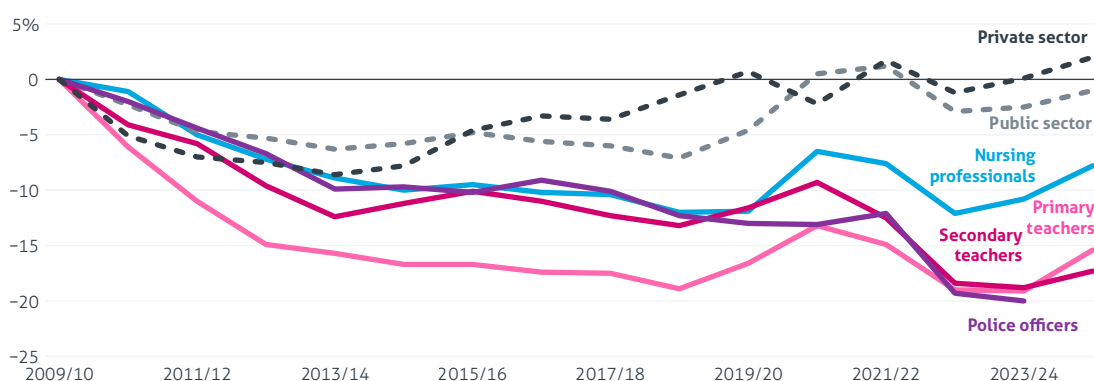
All else being equal, performance is likely to improve in most services compared to 2024. However, the baseline was so low in 2024, with services dealing with so many backlogs in demand, that those relatively small performance increases are unlikely to return services to pre-pandemic performance levels – let alone those seen in 2010, when Labour last left office. And as analysis across each sector shows, those settlements are unlikely to be sufficient to improve performance by as much as the government has promised.

By looking at anticipated increases in demand, our analysis may not capture all pressures on services' budgets, however. There are other reasons to believe that funding may not be sufficient to improve performance over the course of this parliament.

Most forecasters anticipate a bout of inflation from the US's war in Iran, as happened in 2022 and 2023 following Russia's invasion of Ukraine. The Bank of England now expects inflation to be 1.5ppts higher in early 2027 than it expected back in February. As happened earlier this decade, services would find themselves with cash settlements that went a lot less far in real terms, especially if there are knock-on effects for public sector pay. That would present the Burnham government with a difficult choice about whether to reopen the envelope.

Not doing so, however, could result in another round of widespread industrial action as inflation reduces the real-terms value of staff pay. The 2022 and 2023 inflation shock saw walk-outs from resident doctors, consultant doctors, nurses, ambulance staff, teachers and criminal barristers, causing widespread disruption. Indeed, there are already indications of poor industrial relations, with both consultant doctors⁴⁴ and probation officers⁴⁵ recently voting in favour of strike action.

Figure CSA 1.4 **Real-terms change in earnings of selected public sector professionals since 2009/10**



Source: Institute for Government analysis of ONS, 'Earnings and hours worked, occupation by four-digit SOC' ('ASHE' series table 14), October 2025, and ONS, 'Earnings and hours worked, all employees' ('ASHE' series table 13), October 2025. Notes: Gross median earnings used. Figures have been deflated using CPI. Figures for 'primary school teachers' include nursery staff up to 2020/21. 'Nursing professionals' figures use data from 'health associate professionals' for 2009/10, 'nursing and midwifery professionals' for 2010/11–2019/20 and 'nursing professionals' for 2020/21 onwards. 'Police officers' figures include all officers ranked sergeant and below. No figure is available for 'police officers' for 2024/25 because of an error in the dataset.

Apart from inflation, there are other financial pressures on services not captured by our demand analysis above. Rising SEND demand is putting further pressure on schools' and local authorities' budgets. The Starmer government's decision to salami slice services' capital budgets to fund increased defence spending may contribute to slower productivity growth.⁴⁶

Many departments have assumed that improvements in technology, particularly artificial intelligence (AI), will result in large efficiency gains⁴⁷ – though the NHS has alluded to the riskiness of this assumption by calling AI a “big bet” in its 10-year health plan.⁴⁸ Our own research did not reveal any particular ‘AI revolution’ in services. Some showed early signs of AI adoption – specifically the use of AI-assisted transcription tools in the probation service and among local authority social workers – though it was not frequently raised as a reason for performance improvements.

So if those ‘big bets’ do not return any productivity wins, services may find themselves with a less generous settlement than expected in the last years of this parliament.

Some of the government's own priorities may put pressure on the envelope. Even after reallocating capital budgets, the government still needs to find an additional £4.7bn of funding to meet its defence commitments over the next four years.

Burnham has also committed to reforming adult social care. He is not alone in such a commitment. That has been the position of many previous prime ministers, who have then gone on to duck the difficult decisions. But if he does go ahead, it seems likely that it will involve the state paying for some more care. Burnham's party conference speech made clear that he does not anticipate launching his national care service (NCS) until after the next general election,⁴⁹ pushing some of the costliest measures (such as free personal care for those aged 65 and over) beyond the scope of this spending review. But even with that delay, he may want to direct more funding towards his proposed workforce reforms that are due to be enacted before the election.

Increased international volatility contributes to difficult fiscal choices

Starmer had to contend with an unenviable international situation, which made his domestic choices more difficult. Following the election of Donald Trump to his second term, six months after the 2024 general election, and the continued threat of aggression from Russia, Starmer deemed it necessary to increase defence spending. That required fiscal trade-offs. Having not responded quickly to the Trump presidency by, for example, raising more tax revenue in the 2025 budget or cutting spending in a targeted way to fund additional defence spending, Starmer announced that he would ask all departments to cut their capital budgets by 1% to fund additional defence spending in the summer of 2026.⁵⁰ That is a decision that risks undermining one of his biggest achievements: providing certainty and stability over capital spending.

Trump's war in Iran also increased the risk of an inflationary spike, albeit one that has not yet materialised and which did not affect any of the forecasts while Starmer was in government.⁵¹ That, however, may change as the Burnham government braces for the official forecasts that will accompany the November 2026 budget.

Part 2: The Burnham government and public services

Andy Burnham faces many of the same issues that held performance back under Keir Starmer, from backlogs to inflation and geopolitics.

Maintenance backlogs continue to hold back performance

Another positive of the Starmer government’s time in office is that it increased capital spending compared to the 2010s. That is much needed after historically low levels of capital spending in that time generated record maintenance backlogs in services. That in turn contributed to lower productivity, as staff struggled to use the estate and equipment effectively.

Early indications, though, show that this problem continued under the Starmer government.

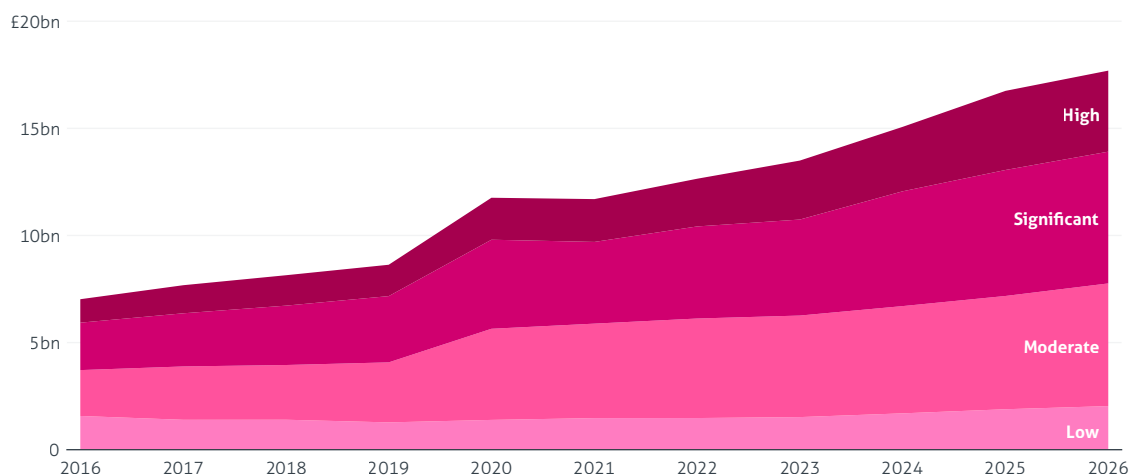
Figure CSA 1.5 **Maintenance backlogs across public services, various dates (2026/27 prices)**

	Backlog	Real-terms increase from previous year	Parent department capital budget, 2026/27	Backlog as a proportion of capital budget
NHS estate, 2026	£17.7bn	5.6%	£14.0bn (DHSC)	126.4%
Roads which local authorities are responsible for, 2026	£18.4bn	9.9%	£9.8bn (MHCLG)	187.8%
Schools estate, 2021	£14.5bn	n/a	£8.3bn (DfE)	174.7%
Courts, prisons and probation estate, 2024	£3.3bn	n/a	£2.3bn (MoJ)	143.5%

Source: Institute for Government analysis of NHS Digital, ‘Estates Returns Information Collection - dataset for ERIC 2025/26’ (‘Table 10’); NAO, *Maintaining public service facilities*, 2025 (‘Key information’ table); and Asphalt Industry Alliance, ALARM survey, 2026 (‘Key findings’ table). Notes: See Methodology for definitions of backlogs. Figures relate to England, except ‘courts, prisons and probation estate’, which cover England and Wales. The NHS estate does not include the primary care estate, for which there is no reliable data. ‘Courts, prisons and probation estate’ also includes the tribunals estate. Capital budgets refer to CDEL. Equivalent figures are not available for other services covered in this report.

Maintenance backlogs remain incredibly high across all the services for which we have data, in all cases more than the entire size of their parent departments’ capital budgets. These are also likely an underestimate, as they do not capture backlogs across all parts of services. For example, the DHSC row does not include the sizeable maintenance backlog that we know exists in primary care, but for which we have no reliable data.⁵²

Figure CSA 1.6 **Cost to eradicate the NHS estate maintenance backlog, by risk level, 2015/16–2025/26 (2026/27 prices)**



Source: Institute for Government analysis of NHS Digital, 'Estates Returns Information Collection – dataset for ERIC 2025/26' ('Table 10'). Notes: Figures relate to England and are at 31 March of the relevant year. Figures do not include the primary care estate, for which there is no reliable data. The NHS defines 'high risk' as where 'repairs or replacement must be addressed with urgent priority in order to prevent catastrophic failure, major disruption to clinical services or deficiencies in safety liable to cause serious injury and/or prosecution'.

These backlogs cause severe problems. Hospitals are forced to close wards and operating theatres, delaying access to care.⁵³ In his review of the courts system, Brian Leveson identified the maintenance backlog as a driver of rising inefficiency in the courts system, reducing the number of available courtrooms.⁵⁴ Leveson welcomed the MoJ's decision to increase the maintenance budget for courts,^{*} but this was still only from £120m in 2024/25 to £148.5m in 2025/26 (in cash terms).

Where we have annual data – for the NHS and roads – we can see that the backlogs grew under the Starmer government, by 5.6% and 9.9% in real terms respectively, indicating that even the additional capital spending his government allocated has not reversed the trend.

That is because the scale of the underinvestment over decades, but particularly during the 2010s, was so large that even relatively high capital spending for a few years will struggle to reverse it.

For the other services we cover (schools, courts, prisons and probation) data about the size of backlogs is less current, meaning that they may have changed since then.

* Technically, this is the 'court and tribunal capital maintenance and project funding' budget, so includes funding for initiatives other than maintenance.

Lack of capacity in crucial services contributes to rising and more complex demand

Since the 2024 election, services have continued to have to deal with high levels of complex demand. Often, this reflects people's difficulties accessing appropriate support elsewhere in the state or private sector. Given sufficient time, funding and political will, a government could address these problems. But making headway on, for example, improving population-wide mental health would have been very difficult within a two-year window, particularly given how long many of these effects have been building up across the population.

Interviewees across many of the services we cover report that there is more complex demand from worsening mental health, and that there are very few appropriate NHS services to meet that demand or prevent it from arising in the first place. Instead, it is often left to NHS A&E and ambulance staff, and to police to deal with people in acute mental health crises. In children's social care, local authorities are providing secure residential accommodation to children who would have previously been treated in tier 4 children and adolescent mental health services (CAMHS), which have been cut over time.⁵⁵ There is also a spillover into the education system, with lack of access to CAMHS services likely contributing to rising demand for education health and care plans (EHCPs).⁵⁶ Prisons and probation similarly report spillover demand from the lack of community mental health provision.

Interviewees frequently raised the low quantity and quality of housing as a driver of demand for public services. Most obviously, this manifests as rising demand for local authority-provided homelessness services: assessments for homelessness services rose from 72,450 in the first quarter of 2020 to a high of 84,525 in the third quarter of 2024, just after the 2024 general election.⁵⁷ Demand has flattened since then – 81,390 people were owed some support in the first quarter of 2026.⁵⁸ But this is still 12.3% higher than the last pre-pandemic quarter.

Local authorities are increasingly forced to place more people who present as homeless into temporary accommodation. That leads to worse health and educational outcomes for children.⁵⁹

A lack of housing also puts more pressure on prison and probation services: people who become homeless while being supervised by probation services are often recalled to prison.

More indirectly, and over the longer term, poor-quality housing puts more pressure on the NHS. People living in damp, cold, noisy or mouldy housing are more likely to present to the NHS.⁶⁰ Historically, cold living conditions have been the primary driver of housing-related demand. But as the climate crisis worsens, overly-hot housing may also drive further NHS demand.

Return of the doom loop

We have argued in the past that governments between 2010 and 2024 took decisions on resource allocation that pushed public services into a 'doom loop' where constant firefighting and tight budgets prevented a focus on the long term, and forced services to cut spending and initiatives that might lower future acute demand.⁶¹

That is a difficult cycle to break, particularly in the absence of additional funding to enable 'double running' of preventative and acute spending before services reach a more sustainable equilibrium.

Because of that doom loop – as well as the poor quality of the estate, increasingly complex demand, and pandemic era backlogs described above – Burnham and his ministers leading key public services will need to tackle performance problems in numerous areas.

In the prisons system, Burnham has already had a taste of how public service crises consume political attention. One of the earliest announcements he made was to change the prison early release reforms, then due to take effect in October 2026. As a result, 1,000 fewer prisoners will be released early over the first 10 months of the programme.⁶² That has also been a test of his ability to make difficult decisions and trade-offs, with the result showing that he buckled to press and political pressure rather than choosing the option that would put the prisons population on a more sustainable footing.

The prisons system is likely only the first of several areas where performance may well worsen before the next election.

In the school system, many of the current reform programmes hinge on optimistic forecasts about the government's ability to slow the growth of education, health and care plans (EHCPs), which are assigned to children with recognised special needs or disabilities and through which parents and schools attract additional funding. Not only does that threaten the viability of schools reforms, but the Office for Budget Responsibility (OBR) identifies SEND pressures as a threat to the deliverability of the government's entire spending envelope.⁶³

In the NHS, A&E performance has not improved substantively since the election and attempts to improve performance have focused on diverting demand and increasing staff resources in A&E departments rather than on freeing up hospital flow – a key factor determining performance in that area.⁶⁴ That means that many people attending A&E will continue to wait more than 12 hours for care and it would not be difficult for a shock to the NHS to substantially worsen that level.

In general practice, the steady decline in the GP partner workforce could lead to further practice closures and mergers, reducing patient access and leading to lower patient satisfaction.⁶⁵

Community children's services are worsening, with very long waits for children to receive diagnoses and support for SEND conditions. Ongoing disruption from structural reorganisations presents a further challenge to performance improvements.

Local authorities' finances are balanced on a knife edge and could well worsen before they improve. Starmer's government made good changes to the formulae that allocate funding to local authorities. But the sector remains underfunded compared to the demands put on it. EHCPs – funded by local authorities – will continue to rise for the rest of this parliament. Preventative reforms to children's social care could take years to reduce demand – especially given how difficult they are to implement when head space and resource are consumed by local government reorganisation.

Adult social care reform plans are still sketchy and, in the case of Burnham's much-trailed national care service, still years away. To contend with rising demand for that and other acute services, councils are forced to paper over the cracks with one-off funding sources such as drawing down reserves, selling assets and borrowing, which drives up the level of debt and interest payments in the sector. That is not sustainable.

In the criminal justice system, successful police recruitment may increase the number of charges, which would in turn add to the backlog of cases waiting to be heard in the courts system. Courts are hearing more cases than they were, but that could result in more pressure on prison places, particularly with the slow progress of the prison building programme. Burnham's decision to cancel some parts of early release will only add to that pressure.

Burnham has set out a wide-reaching and radical proposition for public service reform

Since taking office in July 2026, Burnham has made substantial interventions in some services and next to none in others. Compared to Starmer, he was much quicker to provide a diagnosis for why public service performance has been poor, largely attributing it to overcentralisation in Whitehall. That diagnosis also led to a theory of how to improve services that was much clearer and comprehensive than anything Starmer ever published on public service reform. While details on what this entails remain slim, it is a helpful lens for decisions he will need to make.

Burnham articulated that view in a cabinet statement (a document that all cabinet members have agreed to deliver) called, retaining Starmer's own rhetoric, "Rewiring the state". In that, he committed to "a radical shift in where powers and resources lie, so that decisions can be made locally".⁶⁶ That logic extends to public services. The document says that Burnham's government "will ensure services work together as a single coherent system built around the priorities of people and places".⁶⁷ At the heart of this system will be mayoral strategic authorities (MSAs, such as the one that Burnham led in Manchester before becoming prime minister).

The document lays out first steps. They include:

- Devolving power over more services – initially employment support and 16–19 education – to MSAs
- More democratic control over local services, including establishing deputy mayor roles with responsibility for key services
- Aligning NHS ICB, police force, and fire and rescue services' boundaries with MSAs by the end of this parliament
- Fiscal devolution, which will direct more locally raised revenue to mayors and thus give them more control and discretion over how to spend that money on services
- A commitment to “take forward a programme of reform to support the financial sustainability of local authorities” including plans to reform adult and children’s social care, homelessness and SEND services
- Stronger local accountability for mayors. That will mean the chief executives of combined authorities becoming accounting officers, answerable for how they spend public money. That will also entail “a stronger role for the Local Audit Office”.⁶⁸

This builds on the work of previous administrations, including work done under Starmer. But its ambition is much bolder than previous attempts and, vitally, it has clear and strong support from the prime minister. If implemented, it would mark a watershed moment in how the state manages and delivers public services. Many of the initial steps are welcome and often overdue decisions. We have argued before that the government must use restructures to align ICB, police force and MSA boundaries.⁶⁹ Burnham is right to do so now.

Devolving control of employment support is also in line with previous Institute for Government recommendations.⁷⁰ We have also long called for reform of the adult social care and homelessness systems.

Some parts of Burnham’s announcement raise concerns. On boundary alignment, Burnham says that police forces and ICBs may be aligned to multiple, rather than just one, MSA. That would be a mistake. Making NHS or police leaders answerable to multiple mayors would confuse accountability. What happens, for example, if neighbouring Labour and Reform mayors disagree about the approach to policing in their joint police force area? Is it feasible to expect a single police force to take a different approach in different parts of the force – and how would they be held accountable if they don’t?

Perhaps surprisingly for such a devolution-focused prime minister, the references to local government are few in the document, and when it is mentioned, the language is thin – for example, talking of improving “financial sustainability” and reforming (with no further elaboration) the most expensive services. Jim McMahon, the minister

of state for local government, devolution and growth, has subsequently said that the upcoming devolution white paper will “address the question of the role of local government in a devolved country”.⁷¹ That must provide more clarity as local government is a vital resource for both place-shaping and delivering services. They are closer to their residents than strategic authorities and have decades of capability built up compared to the relatively young – and in much of the country non-existent – strategic authorities.

The statement also makes no mention of regional care co-operatives (RCCs), the organisations the Starmer government began creating to sit above local authorities and commission children’s social care.⁷² They also have geographies that do not align with MSAs and instead bring in a mix of local authorities.⁷³

Burnham says he wants to reform children’s social care and SEND services. There are already reforms happening in those areas, following an approach we support.⁷⁴ He should be clear how much his vision differs from the programmes that are in train, and what he would do differently.

The area notable for its absence was the NHS. Aside from ICB boundaries, there was little explanation about how Burnham plans to run the service. He has not taken a public position on the ongoing NHSE abolition, or the reforms that Streeter launched in the *10-Year Health Plan for England*. Yvette Cooper has outlined her priorities, which focus on maternity care, violence against women and girls, and Sure Start.⁷⁵ All worthy focuses, but far away from the previous administration’s priorities towards which the NHS is still working.

Burnham’s announcements raise questions about some existing reform programmes

As previously described, Burnham inherits a system going through many different reform programmes. Some are particularly problematic for Burnham’s devolution-first approach.

The way schools are organised at a subnational level is an anomaly among public services. For more than two decades, schools have been shifting from the local authority-maintained sector into the academy sector (state-funded schools not overseen by local authorities but run by trusts, either single-academy trusts or multi-academy trusts, or MATs).

At the start of 2026, 55% of state-funded schools were academies, including 84% of secondary schools and around half of primary and special schools and alternative provision. The Starmer government aimed to complete that process, with all schools becoming parts of ‘trusts’.^{*76}

* The Starmer government did not elaborate on what it meant by ‘trust’. Academies are not the only type of school which can be in trusts, but they make up the vast majority of schools in trusts and there have been no openings of foundation schools (the other type of school in trusts) since 2014.

The problem for Burnham's agenda is that MATs can be spread across the entire country. That means that a single MAT might have schools in multiple MSA areas and, conversely, that a single MSA will have many trusts operating schools in their area (plus schools subject to local authority oversight, unless the plan for all schools to become part of a trust is followed through on). That will make it more difficult to bring local accountability into the schools system.

As we argue in the schools report, the Burnham government should develop a clear long-term vision for how the schools system should be structured, including a view on which functions should be controlled locally, by whom, and which would benefit from being controlled or delivered at scale.⁷⁷

In addition, and as previously shown, reform programmes in the NHS and the police are centralising powers into Whitehall departments. It makes no sense to give secretaries of state more control over appointments and firing of local leaders, or to define what objectives they should be pursuing, at the same time as making those services more accountable to mayors. At best, this confuses accountability. At worst, it completely undermines any attempt to improve local integration and accountability. Burnham should urgently clarify whether those reforms will go ahead.

Some ongoing reforms align well with this agenda

There are some areas of ongoing reforms that align well with Burnham's agenda.

Though light on detail, the community and prevention shifts in the NHS could match on to Burnham's goals quite well. A GP-led neighbourhood health service that's aligned with local authorities could improve co-ordination between primary, community and adult social care and would be a positive vision of an agenda that currently feels unmoored. Meanwhile, GMCA is a test case for a mayoral-led, preventative approach to health. The rest of the NHS should watch carefully.

Relatedly, the move to pool some NHS budgets in integrated health organisations could support better local decision making and improve accountability over spending, though there has been little progress on this agenda.

SEND reforms are intending to better join up provision at a local level. As we have previously written, there are many remaining questions about how this will happen in practice,⁷⁸ but increased mayoral accountability could help for elements of the reforms that benefit from bringing scale.

MSAs could help commission for specialist services where local authorities and other smaller organisations do not provide enough scale to shape the market or benefit from the savings that come from commissioning on a larger level. For example, as MSAs set the strategic direction for skills in their area, they may be well placed to support workforce planning for the SEND sector.⁷⁹ RCC reforms are, in many ways, intended to provide scale for children's residential care. But, as previously argued, these are currently poorly aligned with MSA boundaries.

Ministerial continuity in key roles will keep well-working reform programmes on track

A positive outcome of Burnham's first reshuffle was that some junior ministers overseeing reform programmes across public services remained in post.

In the DfE, he kept Josh MacAlister and Georgia Gould in their roles as minister for children and families and minister for school standards, respectively. MacAlister is leading the ongoing children's social care reforms and Gould is handling the SEND reforms, both of which are moving in the right direction. Keeping them in post will support effective delivery.

Similarly, keeping Karin Smyth as minister of state for secondary care in DHSC and Sarah Jones as minister for policing and crime in the Home Office supports continuity in important reform agendas.

Angela Rayner was one of the most effective secretaries of state in Starmer's government during her first stint in MHCLG. Similarly, Jim McMahon was an effective minister for local government. Bringing them back into those roles means they can pick up where they left off on local government reorganisation, the fair funding review and housebuilding, among others.

Recommendations

No. 10 and departments need to clarify ongoing reform programmes as soon as possible

As we have argued throughout this report, services are still focused on implementing reforms launched by the Starmer administration.

Burnham should assess whether ongoing and proposed reforms are serving his agenda

The Starmer government handled the process of abolishing NHS England abysmally. Yvette Cooper, Burnham's health secretary, urgently needs to grip this process.

It would be a mistake to stop the abolition of NHSE at this point. But both **she and Burnham need to provide political direction about the future form of the NHS super-structure** and how that aligns with Burnham's vision of a more devolved system.

As previously argued, NHS and police reforms are putting more powers in the hands of those secretaries of state. This seems to be a direct contradiction with his 'devolve by default' approach to public services. **Burnham should pause the Health Bill and adjust the proposed police reforms** to ensure that accountability flows support his vision.

Specifically in the Health Bill, Burnham should clarify whether the secretary of state should be able to:⁸⁰

- Appoint and fire senior executives in trusts
- Set ICB funding allocations and spending controls for ICBs and trusts
- De-authorise foundation trusts
- Impose new duties on ICBs.

Among other provisions. If Burnham does not think the secretary of state should have those powers, he should make clear which organisations or individuals should instead.

The prime minister must also decide whether to press ahead with other planned reforms, such as the Courts and Tribunals Bill, which is due to restrict the number of jury trials. This involves a substantial shift in the workforce required in criminal courts – particularly a major recruitment of additional magistrates. The sooner departments and other stakeholders have clarity on which reforms the government will be pursuing, the less time and energy will be wasted on proposals that do not go anywhere.

The government should pause and recalibrate ongoing reorganisations

One of the biggest oversights of Starmer's public service reforms was the failure to co-ordinate subnational reorganisations. It is welcome that Burnham has set a goal to align boundaries, but there are still urgent questions the government needs to address.

Unless there are exceptionally good reasons not to, the government should align the boundaries of ICBs, police forces and strategic authorities on a 1:1:1 basis – he should not allow an ICB or police force to contain multiple SAs, as is currently suggested.

This will not be painless. Twelve ICBs have already merged into six, and it is likely their boundaries will have to be redrawn if the government pursues better boundary alignment, causing more disruption for staff. Some in those services argue that operational concerns should trump boundary alignment. But that is a parochial view of how services should be organised and ignores the benefits to the wider state from having a more coherent cross-service set of structures. Cooper and Mahmood should accept short-term disruption and difficulties navigating the implications for services' operational concerns to support long-term stability and improved working between services.

Proponents of a smaller number of police forces and ICBs argue that cutting the numbers from 43 and 42 respectively to the 30 or so MSAs (rather than the 10–15 and 26 proposed respectively) will result in fewer savings, as it will mean smaller cuts to back-office staff, nullifying the point of the reorganisations. That is a short-termist approach, prioritising often overly optimistic headcount cuts over the real productivity benefits that would come from a system that effectively supports better integration and co-operation.

There is a strong case to include regional care co-operatives – the initiative launched by the Starmer government to co-ordinate the commissioning of children's social care between local authorities – into this system. The government is still in the early stages of these reforms, and is piloting RCCs in two areas in England. Under current plans, it is likely every RCC will cover multiple strategic authorities, as there will be only eight RCCs across England (though some local authorities are opting out of being part of RCCs). Burnham should instead aim to align RCCs with MSA footprints.

Schools is a harder problem to solve. The current direction of travel is to academise all remaining local authority-maintained schools. But multi-academy trusts often have schools across the country, meaning they do not neatly sit in any mayoral geography. To determine how schools fit into this emerging place-based system, the government should set out a clear long-term vision for the structure and governance of the schools system, including which functions and responsibilities should be controlled locally, by whom, and which would benefit from being controlled or delivered at scale. It should use this vision to guide decisions about future academy conversions and wider public service geographies.

Andy Burnham should make clear where he supports the priorities of Starmer's government

The Starmer government created clear priorities that focused systems' attention, in some services at least, but which were inconsistent with its stated overall priorities. In the NHS, for example, the elective target is an odd priority to choose if the government's overarching goal is to move care *outside* of hospitals and make the service more preventative. Burnham should clarify if he wants to go ahead with this as the NHS's primary focus.

We have argued in the past that the Starmer government's structural court reforms will free up relatively little capacity.⁸¹ Worse, it distracts from other ways that the government could improve courts' efficiency.

And in policing, there is a specific focus on increasing charges for violence against women and girls, rather than other kinds of positive outcomes outside of court. This could create a perverse incentive to charge offenders, rather than diverting them from prosecution. For some offences, a charge will always be the appropriate outcome if possible, but out-of-court resolutions are cheaper and often more effective at reducing reoffending, including in some cases of domestic abuse.⁸² It may also cause further problems in magistrates' courts, which would be forced to handle a greater volume of cases.

The government should set out its principles for how and when to devolve power over public services

So far, the Burnham government has identified employment support and 16-19 skills as services that it would like to devolve to mayors. That leaves many other services over which mayors do not currently have control or influence, including most of those that we look at in this series of reports. Some of those services and functions are more amenable to devolution than others. It is much easier to imagine giving mayors more control over the police, for example, than over specialist hospitals or prisons.

As a first step, Burnham should **set out principles for when central government will look to devolve power over services or bring them up from, for example, local authorities into MSAs**. That will provide a framework to help departments decide where there could be opportunities for greater devolution.

Those principles should consider questions such as:

- In what areas does meeting consistent national standards require consistent local approaches? Conversely, where is the government willing to accept variation in access to and quality of services?
- Which services require integration with other services in a local area to function most effectively?
- Where are services so specialised that local areas are unlikely to have the capacity or capability necessary to commission them?
- Where the government procures services from the private and voluntary sectors, at what geographical scale will those markets operate most effectively?

Answers to these questions may not always provide a clear conclusion but they should help government to decide whether a service should be devolved and at which level of government (local authority, strategic authority, regional or national) responsibility should sit. In some cases, devolution will not be the easy or right answer. While there are real advantages to a more local probation service, for example – with strong

connections with local support services, employers and communities – prisons must continue to be run as a largely national system, given security restrictions, the need to move prisoners around, and the unpopularity of having a prison locally at all. And yet the two systems must work very closely together, to prepare offenders for release, understand potential risks and threats and support effective rehabilitation. The government must weigh these benefits carefully.

A set of principles is the first step towards greater devolution and would increase the chance of consistency of approach across departments.

The government should articulate how councils, schools and neighbourhood health services will operate in a mayor-focused world

Burnham should clarify the role that he expects local authorities to play in a world where mayors have increased powers. Jim McMahon has said that detail may be forthcoming in the upcoming devolution white paper.⁸³

It is important that the white paper does address these issues. Though currently under-resourced and often treated as the delivery arm of central government, local authorities are a vital piece of any government's attempts to devolve power and integrate services. Not only do they provide many services themselves, but councils are also one of the closest parts of government to people's lives. They also have their own democratic mandate, and therefore potentially different interests to the mayors that sit a level above them in MSAs.

Compared to MSAs, they also have several advantages. There is already complete national coverage, with an upper-tier local authority in every area of England.^{*} They understand their residents and local needs in a way that few other parts of the state do. They also have a far larger workforce than MSAs, employing more than one million people nationwide.^{**,84} While there is no good data for the MSA workforce, recent analysis from the Local Government Chronicle (LGC) estimates that the number is somewhere beneath 10,000.^{***,85}

* Following the completion of local government reorganisation, there will also be a consistent unitary model across all of England.

** Though the local government workforce also includes teachers and other staff that do not work in councils themselves.

*** Though interviewees in that article stress that is not representative of their full workforce, as they often have support from their constituent local authorities.

That is not to say that the current local government workforce would easily be able to absorb more powers and responsibilities. More than 15 years of severe financial pressure means many local authorities have cut the management, analytical and administrative staff needed to deliver effective devolution. But even with those cuts, local authorities are arguably better placed than the average strategic authority to deliver more services.

In short, **Burnham cannot and should not ignore local government in the rush to strengthen mayors' responsibilities.** Local government should be at the centre of any future devolved system of delivering public services. Burnham should clarify what role he sees councils playing and how they will work *alongside* MSAs to deliver more devolved services.

Burnham could also intervene to use the neighbourhood health service – announced by the Starmer government – as a vehicle for a more devolved health offering, aligned with strategic authority boundaries and closely integrated with public health, adult and children's social services.

The government should scale up the existing pilot programmes, where they're going well

As noted, there are some parts of the Starmer government's agenda that we think were genuinely innovative and have laid the groundwork for Burnham's goals for public services. Where that is the case, his government should not abandon them.

In particular, the 'Test, learn, and grow' (TLG) programme was attempting to implement a new way of working in services that could help circumvent the continued risk aversion in both central government and in front-line services.

The place-based budgeting pilots and the 'prevention demonstrator' in GMCA were both trialling better pooling of budgets to support service integration and allow for a greater focus on preventative spending. Those pilots build on the success of the Total Place agenda at the end of the last Labour government – an approach that we are supportive of.⁸⁶ The Burnham government should look to **pool more budgets in local areas.** Integrated settlements for MSAs are one route to this, particularly if the government devolves more spending powers to mayors. But that should not be where pooling ends and Burnham should consider where it is possible to combine funding streams, along the lines of the Total Place model from the late 2000s.⁸⁷

He should also **ensure that small pilots and other programmes are better co-ordinated** and have clearer, more distinctive purposes than under the Starmer government. It may also make sense to merge some of these programmes – for example, encouraging place-based initiatives such as Changing Futures to come under the TLG banner.

The government should ensure that its fiscal strategy supports Burnham's public service reform aims

The Burnham government has limited time, funding and capacity to make meaningful improvements to public service performance between now and the next election, particularly given ongoing reform programmes. The next spending review – due to conclude with financial allocations in the summer of 2027 and set departmental allocations for the remainder of the parliament and beyond – is a key moment for the prime minister's entire agenda.

The Treasury should run a full spending review by mid-2027, and only provide in-year top-ups at the 2026 autumn budget

Burnham should keep the Starmer government's timetable of a full spending review in 2027. This will allow for a far more measured, productive process than under a condensed timetable.

The Burnham government may use the 2026 autumn budget to top up services' funding. This is legitimate given new priorities and changing circumstances (for example, on inflation forecasts). But spending is likely to be much more effective if set over multiple years as part of a clear strategy.

The goal of that 2027 spending review should be to **provide services with as much certainty and stability as possible**. Given the substantial risks to the current settlements, Burnham should ensure that settlements are generous enough to meet potential pressures and sufficient to actually deliver the performance improvements that he has promised.

We have outlined in this report where we think settlements are unrealistic, and potential performance pitfalls throughout the rest of this parliament. Burnham should take these into consideration when he and John Healey set envelopes for next year's spending review.

The Treasury should use the value for money reviews to assess areas where there are weaknesses

Another successful innovation under the Starmer government were the value for money (VfM) reviews that were initially run by the Office for Value for Money (OVfM).⁸⁸

Burnham should keep this innovation but should target the next set of reviews at areas that support his agenda.

For example, he could ask the Treasury to conduct a review to support his ambition to eradicate rough sleeping. Other candidates for areas that the Treasury could examine would be the effect on local government financial sustainability from continued use of 'exceptional financial support', the effect of limited or poor-quality housing on demand for public services, the interaction between benefits spending and spending on services such as the NHS, adult social care or SEND services, and effective commissioning of adult social care services.

The Treasury should use the spending review to deliver far better join-up in Whitehall

A major failing of the Starmer government was not to use the 2025 spending review to properly drive co-ordination across Whitehall, with missions particularly conspicuous by their absence.

The Treasury should use the 2027 spending review to push departments to think about spending more holistically. This should include:

- Proactively choosing priority areas (such as homelessness or SEND) that cut across departmental boundaries, setting aside funding specifically for these joint bids and budgets
- Encouraging departments to make a joint bid for a series of programmes that are interrelated, while still allocating funding separately to each department where appropriate
- Increasing the proportion of funding that goes through integrated settlements or further fiscal devolution where join-up is best achieved at the regional scale.

The government should set clear outcomes and interim performance metrics for Burnham's priorities

Regardless of the mechanism the Treasury uses to encourage cross-departmental bids and co-operation, the government needs to improve accountability for Burnham's priorities. This starts with setting the high-level outcomes that it wants to improve. Unlike the missions, these should be genuine outcome metrics, not merely output or even input metrics. Outcomes are far more likely to require cross-departmental working than narrower output metrics – they are also more likely to force departments to take a longer-term view, rather than incentivising some of the short-term interventions that the NHS has used to improve elective performance.

Also unlike Starmer and his missions, **Burnham should retain a close, personal interest in delivering those priorities over the entirety of his time in office.**

But to help him do this he must also have a clear mechanism for holding departments and other parts of government to account. This would be easier if the government had a more effective centre (No. 10, Treasury and Cabinet Office).⁸⁹ Burnham's decision to create the Office of the Prime Minister and Cabinet (OPMC) could help here, though he will still need to imbue it with clarity of purpose and administrative authority to make a success of it.⁹⁰

It can be difficult to track progress towards long-term outcomes over the relatively short timeframe of a parliament. The Burnham government should **also outline which interim metrics it would expect to improve between now and the general election** to demonstrate progress towards chosen outcomes. However, especially where the government's answer is to devolve funding, the government must resist the mistake its predecessor made of requiring MSAs to conform to a detailed set of inputs and outputs which, in practice, limited how they could use that money.

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