

The Mike Emmerich Independent Review of Growth-Capable Devolution

Working Paper No. 4

October 2026

Centralisation and Performance

1. Purpose and central argument

This working paper has been prepared to inform the independent review of the capacity and capability needed by England's strategic authorities to exercise greater devolved responsibility. It is also informed by earlier research into the development of devolution in Greater Manchester. The Government has now committed itself to widening and deepening devolution in England, including a greater role for strategic authorities in joining up public services and the possibility of further functions being devolved over time.¹ That raises a question. If responsibility for services currently controlled or substantially directed from Whitehall is to be devolved, what does the evidence tell us about the relationship between the level at which services are controlled and the outcomes they achieve?

Devolution is intended, in part, to allow devolved governments and local leaders to make different political choices: both about the outcomes they prioritise and about how they seek to achieve them. Some variation is therefore inherent in the purpose of devolution. That raises a particular question for public services in Britain, where the post-war welfare state developed within a highly centralised system of funding intended, at least in principle, to support common national standards and entitlements. There is a legitimate debate about whether devolved leaders should sometimes be able to choose different standards or priorities. This paper does not attempt to resolve that question. It takes as read that local leaders should have scope to make different political choices about priorities and methods.

The narrower question examined here is whether devolving responsibility for the organisation and delivery of services for which Parliament and the electorate continue to expect national standards must itself lead to greater geographical variation in performance. If devolved governance necessarily produced more postcode lotteries, that would present a significant challenge to further public-service devolution. The paper therefore asks whether common national standards require common national administration, or whether national entitlements and performance expectations can be maintained alongside greater local operational discretion.

This paper examines that question across health, schools, skills, welfare-to-work and innovation. It does not start from the proposition that decentralisation is inherently superior to centralisation. There are circumstances in which national provision can exploit scale, redistribute resources, establish common entitlements and concentrate scarce expertise. Equally, decentralisation can fail where local capacity is weak, responsibilities are unclear or the geography is wrong. The question is whether national administrative control should be the default assumption for public services, and in particular whether maintaining national standards and equitable outcomes requires national operational control.

The evidence suggests that it does not. There is no general empirical basis for assuming that nationally controlled delivery produces better outcomes than decentralised delivery. Performance depends on institutional design, capacity, accountability, funding and the scale appropriate to the service concerned. The issue for English devolution is therefore not whether public services should simply be transferred from one tier of government to another. It is which functions are best exercised nationally, regionally and locally, and whether greater local discretion can be combined with clear national entitlements, standards and accountability.

¹ Cabinet Office, *Rewiring the State – Cabinet Statement*, July 2026.

2. England's centralisation and the wrong binary

England remains unusually centralised in both fiscal and institutional terms. The distinction between England and the United Kingdom is important because Scotland, Wales and Northern Ireland exercise extensive devolved powers in several of the services discussed here. But the fiscal structure of the UK as a whole remains highly centralised. OECD data show that in 2023 subnational government in the UK raised just 8.3 per cent of general government revenue from its own sources, against an OECD average of 16.5 per cent – the lowest share of any G7 country for which data are available. UK local government depended on central transfers for 62 per cent of its revenue, compared with an OECD average of 50 per cent.²

The conventional argument for central control is often presented as an argument for national standards. That is a false binary. Internationally, OECD guidance and practice point to decentralised public services operating within national systems of entitlements, standards, performance measurement and intervention.³ Higher tiers of government may define outcomes and minimum standards, collect comparable data and intervene in failing systems while lower tiers retain meaningful discretion over how services are organised and how resources are combined.

The central distinction is therefore between uniform administration and uniform entitlement. A national system can impose identical processes while producing very different outcomes because populations, labour markets, workforce availability and provider capacity differ. Conversely, a decentralised system can permit substantial variation in method while maintaining common entitlements and minimum standards. The relevant empirical question is not whether variation exists. It is whether the institutional system manages variation intelligently and protects people in relation to services where national standards of performance are expected by Parliament and the electorate.

3. Britain's own history: national standards did not begin with national delivery

Britain's most celebrated national institution, the National Health Service, was not created from a blank sheet of paper. Before 1948 local authorities were major providers of hospitals, maternity services, child welfare, tuberculosis services and public health. The creation of the NHS absorbed municipal as well as voluntary provision. The argument for nationalisation was substantially an argument about unequal access, coordination and resources, not a general proof that central administration was inherently more competent.^{4 5}

That historical distinction remains useful. The post-war state used nationalisation to establish universal entitlement and redistribute resources. But it does not follow that every subsequent decision about service design, commissioning, prevention or coordination is optimally taken

² OECD, *Fiscal Decentralisation Database, Table 17: inter-governmental transfer revenue and total revenue for each level of government*, 2026. Author's calculations: subnational own-source revenue is total revenue less inter-governmental transfers received, as a share of consolidated general government revenue; unweighted average of 35 OECD countries with 2023 data

³ OECD, *Making Decentralisation Work*, 2019

⁴ Charles Webster, *The National Health Service: A Political History*, 2002

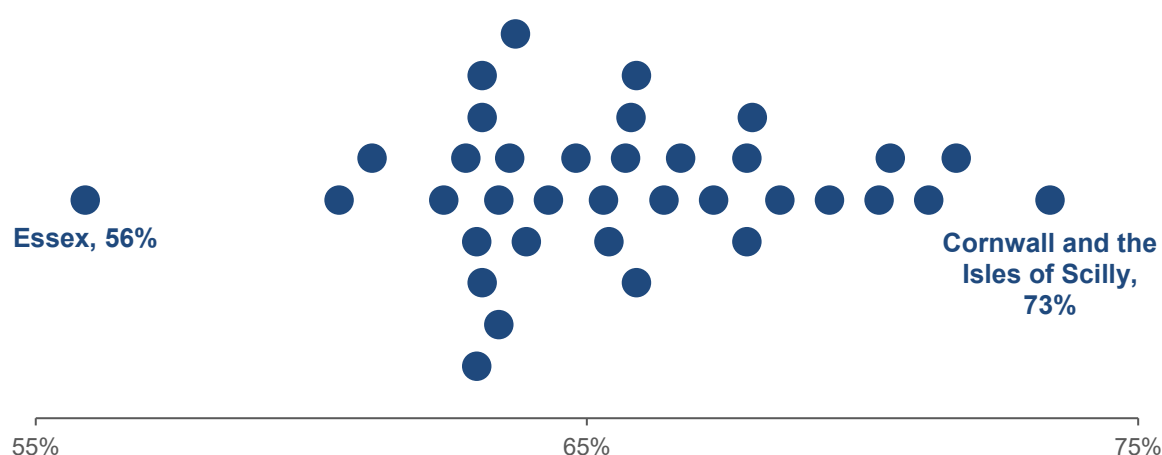
⁵ Rudolf Klein, *The New Politics of the NHS: From Creation to Reinvention*, 2013

nationally. Indeed, much of the later history of health reform can be read as an attempt to reconnect services divided by the institutional settlement of 1948.

4. Health: centralisation does not guarantee superior outcomes

One of the standard objections to localisation is that it creates a ‘postcode lottery’. But geographical variation is not unique to devolved systems. The NHS *Atlas of Variation* has repeatedly documented large differences between areas in treatment, activity and outcomes within a nationally funded and regulated service.⁶ The Care Quality Commission has similarly documented geographical variation in access and performance, with the number of fully qualified GPs ranging from 34 to 54 per 100,000 patients across integrated care system areas.⁷

Figure 1: Share of each ICB’s waiting list waiting under 18 weeks, England, August 2026⁸



The relevant policy objective should therefore be to distinguish acceptable variation from unacceptable variation. Local experimentation, different service configurations and different combinations of spending may be desirable where needs differ. Unequal access to a guaranteed entitlement or persistently sub-standard performance is not. A mature devolved system requires the centre to define the latter and act when it occurs, rather than attempting to eliminate all local discretion.

International health comparisons do not demonstrate that the NHS is a failure. They do demonstrate that national administrative control does not confer an automatic performance advantage. The UK has historically performed well on financial protection and equity of access but less well on a number of mortality, survival, capacity, and waiting-time measures.⁹ These comparisons cannot establish that centralisation caused weaker outcomes because health performance is influenced by funding, deprivation, demography, workforce, housing and many

⁶ NHS, Office for Health Improvement and Disparities, *Atlas of Variation*

⁷ Care Quality Commission, *The state of health care and adult social care in England 2024/25*, 2025

⁸ NHS England, *Consultant-led Referral to Treatment Waiting Times, Incomplete Commissioner data*, August 2026. The NHS standard is 92%.

⁹ The King's Fund, *How does the NHS compare to the health care systems of other countries?*, 2023

other factors. They do, however, remove any simple empirical presumption that national monopoly delivery is inherently superior.

The wider OECD evidence is more instructive. Comparative work on health decentralisation finds a non-linear, ‘fish-shaped’ relationship between decentralisation and performance: moderately decentralised systems have tended to combine lower public health spending with higher life expectancy than more centralised ones, while highly decentralised systems show the reverse. There is no simple rule that more or less decentralisation is always better. Related OECD work shows that most health systems, including decentralised ones, rely on centralised performance measurement, particularly for hospitals. The institutional choice is therefore not between national standards and local autonomy, but how the two are combined.^{10 11}

Denmark is a particularly useful example, as it operates a universal, tax-funded health service, but not one based on national operational control. National government sets the legislative and regulatory framework, supervises the system and plays a major fiscal role. Five elected regions organise hospitals and much of primary care, while 98 municipalities are responsible for important elements of prevention, rehabilitation, long-term care and public health. The system has repeatedly adjusted the allocation of functions as technology and service needs have changed. The 2007 structural reforms created larger regions in part because specialist health care required greater scale, while larger municipalities were intended to make it possible to deliver more functions locally.¹² A further reform agreed in 2024 moves in the other direction for some services: from 2027 the five regions will become four, 17 local health councils will link regions and municipalities, and responsibility for specialised rehabilitation, patient-oriented prevention and acute and temporary care beds will move from municipalities to the regions.¹³

In this respect, Denmark demonstrates a principle that is largely absent from English debate. The appropriate geography can vary by function. Highly specialised hospital care may require regional or national scale. Prevention, rehabilitation and integration with housing, employment and social care need to be organised close enough to place to join up with other local services, although Denmark’s 2024 reform, which moves some of these functions from municipalities to regions, shows that the right tier is itself a matter of continuing judgement. National government can set entitlements and standards without attempting to operate every component from the same tier.

Denmark is not evidence that decentralisation automatically produces better health. It is evidence that a universal national service does not require a national monopoly of operational control.

¹⁰ S. Dougherty, L. Lorenzoni, A. Marino and F. Murtin, *The impact of decentralisation on the performance of health care systems: a non-linear relationship*, OECD Working Papers on Fiscal Federalism No. 27, 2019; also published in *The European Journal of Health Economics* 23, 2022

¹¹ I. Beazley, S. Dougherty, C. James, C. Penn and L. Phillips, *Decentralisation and performance measurement systems in health care*, OECD Working Papers on Fiscal Federalism No. 28, 2019

¹² OECD, *Reviews of Health Care Quality: Denmark*, 2013

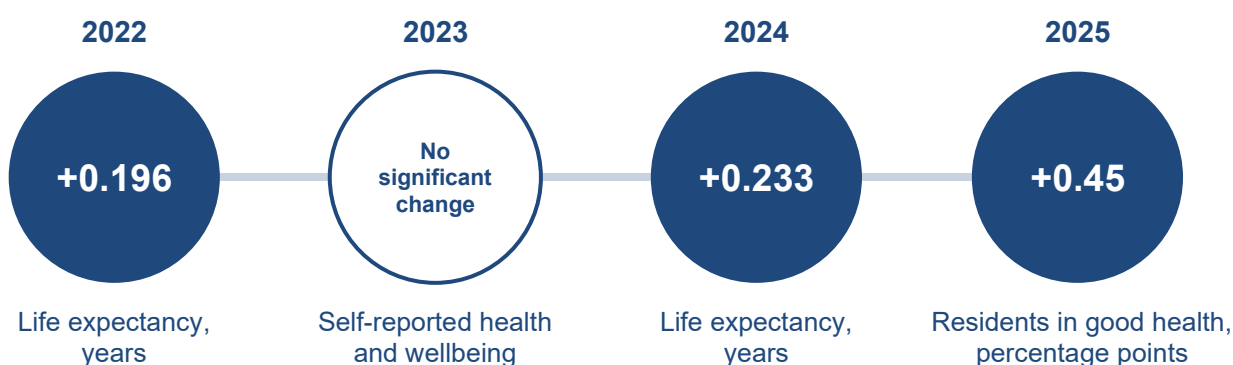
¹³ Ministry of the Interior and Health (Denmark), *Danish Healthcare Reform 2024 – in brief*, 2025; OECD/European Observatory on Health Systems and Policies, *State of Health in the EU: Denmark – Country Health Profile*, 2025

5. Greater Manchester health devolution: there is now a body of evidence

The Greater Manchester Health and Social Care Devolution Memorandum of Understanding, agreed in February 2015 and implemented from April 2016, created a distinctive model for health and social care, giving Greater Manchester substantial flexibility over the organisation and use of some £6 billion of health and care spending within continuing national NHS standards. That period of institutional distinctiveness did not last. The Health and Care Act 2022 established Integrated Care Boards and Integrated Care Partnerships across England, in some respects extending nationally an approach to integration and place-based working that Greater Manchester had pioneered. Greater Manchester's earlier arrangements were incorporated into the new statutory framework, although its ICB explicitly builds on the 2016 devolution settlement. There was therefore a defined period in which Greater Manchester operated a distinctive model, the effects of which can be identified and have subsequently been examined empirically.

There are now at least four distinct peer-reviewed empirical analyses relevant to the impact of health devolution in Greater Manchester, using different outcomes and methods. Two of them come from the same research team using the same method, so they are better read as three independent lines of evidence.

Figure 2: Studies of health devolution in Greater Manchester



First, the 2022 Lancet Public Health study used a generalised synthetic control method to compare Greater Manchester with areas elsewhere in England with similar pre-devolution trends.¹⁴ It found that after devolution life expectancy was 0.196 years higher than expected. The estimated gains were larger for men, in more income-deprived areas and in places with lower baseline life expectancy. The authors interpreted this as evidence that the coordinated devolution of health and wider determinants of health was associated with improved life expectancy and some narrowing of inequalities.

Second, a 2023 Social Science & Medicine study used UK Household Longitudinal Survey data and difference-in-differences and lagged-dependent-variable models to examine self-reported physical and mental health and wellbeing.¹⁵ It found no statistically significant

¹⁴ Philip Britteon et al., *The effect of devolution on health: a generalised synthetic control analysis of Greater Manchester, England*, The Lancet Public Health, 2022

¹⁵ Yao Wei et al., *The impact of devolution on experienced health and well-being*, Social Science & Medicine 333, 2023

improvement over the first four years following devolution. That is important counter-evidence. The authors suggest that devolving population health management without budgetary powers and local accountability mechanisms may not be effective in improving experienced health and well-being in the short term. It suggests that the positive life-expectancy finding cannot simply be generalised to every measure of experienced health.

Third, the 2024 whole-system evaluation substantially widened the evidence base.¹⁶ The researchers examined 98 measures of health-system performance to February 2020, mapped against the WHO Health System Performance Assessment framework, and analysed 170 Greater Manchester policy intervention documents to identify which indicators had been targeted. They found life expectancy 0.233 years higher and healthy life expectancy 0.603 years higher than the synthetic control after devolution, although the healthy life expectancy estimate is imprecise and not statistically significant at conventional levels. Improvements were found across public health, primary care, hospital and adult social care measures and in some wider social determinants, including fewer alcohol-related admissions. Results for outpatient, mental health, maternity and dental services were mixed. Some measures worsened, including adult obesity and A&E waiting times.¹⁷

The authors' interpretation is particularly relevant to the wider devolution argument. The changes occurred despite relatively limited formal devolution of health-service resources. They point instead to mechanisms including transformation funding and the alignment of decision-making across health, social care and wider public services. The Health Foundation has urged caution about treating this as a simple causal 'slam dunk' for devolution, noting that it is hard to know which interventions resulted from devolution or would have happened anyway, and that changes in life expectancy are likely to reflect developments long in motion before devolution.¹⁸

Fourth, a further study, published online in 2025, used Census microdata for 1,326 Greater Manchester neighbourhoods, propensity-score matched to non-Greater Manchester neighbourhoods, with difference-in-differences analysis.¹⁹ It found a 0.45 percentage point higher-than-expected share of residents reporting good health after devolution, with much larger estimated gains of 2.27 percentage points in the least healthy neighbourhoods.

Taken together, these studies provide a small but genuine body of empirical evidence rather than a single finding. Several analyses using different data find relative improvement, and two find the largest gains in poorer or less healthy areas. One important study finds no significant change in self-reported health and wellbeing. None can perfectly isolate 'devolution' as a single treatment because the Greater Manchester model involved health, public services, economic policy, governance and additional transformation resources at the same time.

The defensible conclusion is therefore that Greater Manchester provides credible evidence that substantial local coordination did not worsen outcomes overall and may have improved a

¹⁶ Philip Britteon et al., *The impact of devolution on local health systems: Evidence from Greater Manchester, England*, Social Science & Medicine 348, 2024

¹⁷ NIHR ARC Greater Manchester, *Devo Manc led to significant improvements across health system*, 2024

¹⁸ Caitlin Barrand and Adam Briggs, The Health Foundation, *Devolution in Greater Manchester: findings from a major study*, 2024

¹⁹ Nicholas Patrick Sweeney, *Devolution, health and health inequalities in Greater Manchester*, Social Science & Medicine 389, 2026

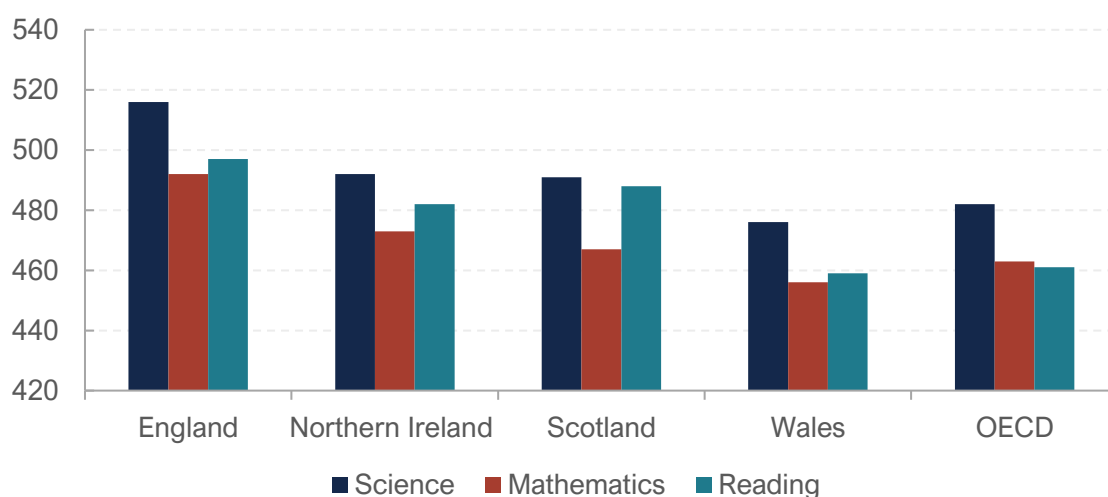
range of them, particularly where need was greatest. It is also suggestive that the mechanism may be horizontal coordination across services rather than simply the formal transfer of an NHS budget. Not all the evidence points this way: Wei and colleagues suggest that the absence of budgetary powers may have limited the effect. That is directly relevant to the wider case for place-based public service devolution. Perhaps research is now needed on whether the 2022 reforms have built on what Greater Manchester achieved within that city and whether, elsewhere, this latest centrally-led reform has produced the intended benefits.

6. Schools: the most important caution against a simple devolution argument

Schools are a valuable addition to this analysis precisely because they complicate any simple argument that decentralisation improves performance. The newest evidence is PISA 2025, published by the OECD in September 2026.²⁰ Across 91 participating education systems, the United Kingdom ranked eighth in science and tenth in reading and mathematics, while average OECD performance fell in reading and mathematics and was broadly stable in science.²¹

The differences within the United Kingdom are striking. England significantly outperformed Northern Ireland in science, reading and mathematics in PISA 2025. Northern Ireland in turn significantly outperformed Wales and was not significantly different from Scotland.²² Wales scored below the OECD average in science and mathematics and around the OECD average in reading.²³ Scotland was above the OECD average in science and reading and around it in mathematics, but its longer-term record remains substantially weaker than the position from which it began.²⁴ These comparisons need caution because PISA is not a controlled experiment and education systems differ in many respects.

Figure 3: UK nations' mean scores in PISA 2025²⁵



²⁰ OECD, *PISA 2025 Results, Future-Ready Students*, 2026

²¹ Department for Education, *PISA 2025: national report for England*, 2026

²² Department of Education, Northern Ireland, *PISA 2025: national report for Northern Ireland*, 2026

²³ Welsh Government, *PISA 2025: national report for Wales*, 2026

²⁴ Scottish Government, *PISA 2025: national report for Scotland*, 2026

²⁵ Ymchwil y Senedd, *How did Wales perform in PISA 2025?*, 2026

This creates an important challenge for a paper about devolution. Since 1999 the four UK nations have had substantial freedom to pursue different education policies. England's post-2010 reforms were unusually directive from the centre in several respects: curriculum content, phonics, accountability, examinations and the expansion of academies and multi-academy trusts. Scotland, Wales and Northern Ireland pursued different paths. It would therefore be wrong to cite schools as straightforward evidence that decentralisation itself improves outcomes.

But neither does the English experience establish that national operational control is required. England's model combined strong national direction over curriculum, assessment and accountability with considerable institutional autonomy at school and academy-trust level. Academies are not local-government devolution, but nor are they schools operationally managed by the Department for Education. The centre defined more of the framework and expected outcomes, while schools and trusts retained substantial responsibility for staffing, organisation, pedagogy and resource deployment.

The more useful lesson is about the combination of autonomy and standards. The OECD's PISA 2025 analytical framework reviews the accumulated evidence on school autonomy.²⁶ It notes that greater school autonomy has been associated with higher performance in some settings, particularly over curriculum, but that autonomy is not automatically beneficial. The benefits are strongest where autonomy is accompanied by effective accountability, strong leadership and qualified teachers. Where accountability is very weak, greater autonomy can be associated with worse performance. Autonomy has also not consistently been associated with greater equity.

That is a much closer analogy for the wider public-service argument than a simple England-versus-Scotland comparison. The lesson is not 'devolve schools'. It is that strong national standards, evidence and accountability can coexist with meaningful operational discretion, and that the quality of the national framework can matter greatly. The UK experience also provides a warning: devolution permits jurisdictions to make different choices, including choices that may perform less well. That is an argument for transparent comparable outcomes and learning between systems, not necessarily for Whitehall to run them all.

7. Skills: standardisation does not require centralisation

England's skills system continues to face persistent weaknesses in employer investment, vocational pathways and apprenticeship participation. The Apprenticeship Levy illustrates the limits of a nationally designed funding mechanism that left training choices largely to individual employers, with little strategic or local steer. The National Audit Office identified sharp falls in starts after the levy was introduced and concerns about whether the programme was delivering value.²⁷ IFS analysis has documented declining employer investment in training and the shift of apprenticeship spending towards higher levels and existing employees.²⁸

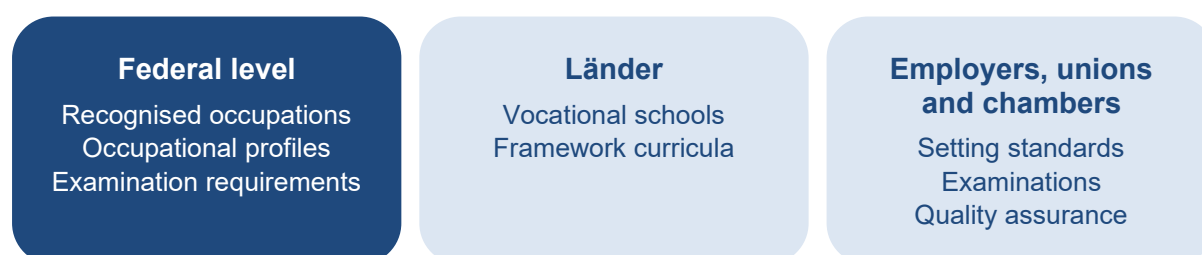
²⁶ OECD, *PISA 2025 Assessment and Analytical Framework*, 2026

²⁷ National Audit Office, *The Apprenticeships Programme*, 2019

²⁸ Institute for Fiscal Studies, *Investment in training and skills, Green Budget*, 2023

Germany is often invoked as a decentralised alternative, but that description is too simple. Its vocational system is a deliberately constructed multi-level system. Federal law and nationally negotiated training regulations establish recognised occupations, occupational profiles and examination requirements. Employers and trade unions participate in setting these standards. The Länder are responsible for vocational schools and implement framework curricula coordinated through the Standing Conference of Ministers of Education. Chambers play important roles in examinations and quality assurance.²⁹

Figure 4: Germany's vocational system



The significance of Germany is therefore not that it has replaced national standards with local discretion. It has done almost the opposite: it combines strong national occupational standards with decentralised educational responsibility and deep employer involvement. It demonstrates that standardisation of outcomes and qualifications does not require centralisation of delivery.

8. Welfare-to-work: local flexibility within a national system

Comparisons between UK spending on active labour-market programmes and the Nordic countries are useful background on the issue of institutional design.

Denmark's public employment service has been highly decentralised, with its 98 municipalities responsible for local job centres and enjoying substantial freedom in designing services, while national legislation, policy and supervision remain with the Ministry of Employment and the national labour-market agency. Regional labour-market councils and national support structures provide coordination across municipal boundaries.³⁰ Denmark is now reforming the system again. Since January 2024 unemployment insurance funds have supported insured jobseekers during their first three months of unemployment, and in 2025 the government agreed a further reform removing the requirement on municipalities to operate job centres.³¹

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The evidence does not show that decentralisation is automatically superior. The OECD's recent review of Nordic public employment services describes the comparative evidence on centralised versus decentralised arrangements as ambiguous.³³ Denmark has continued to

²⁹ OECD, *Vocational Education and Training Systems in Nine Countries*, 2025

³⁰ OECD, *The Role of Public Employment Services in Promoting an Inclusive Nordic Common Labour Market*, 2025

³¹ Danish Ministry of the Interior and Health, *Danish Healthcare Reform 2024*, 2025

³² OECD, European Observatory on Health Systems and Policies, *State of Health in the EU: Denmark – Country Health Profile*, 2025

³³ OECD, *The Role of Public Employment Services in Promoting an Inclusive Nordic Common Labour Market*, 2025

reform its system, and Finland has recently moved responsibilities for active labour-market policy towards municipalities while retaining national legislation and strengthening national monitoring and assessment. The same review adds two qualifications that bear directly on the question examined here. Less decentralised systems were able to implement more uniform approaches across the country during the pandemic. But more decentralised systems can secure access to services across the country where they operate within binding accountability frameworks, agreed minimum service standards and mechanisms for sharing good practice.

That ambiguity is itself useful. It undermines a presumption in favour of either tier. Employment support is highly dependent on local labour markets, employers, skills systems, health and transport, making local coordination valuable. Benefit entitlements, macroeconomic stabilisation and some elements of labour-market regulation clearly require national scale. The sensible question is which functions belong where.

9. Innovation: fundamental science is not the same as diffusion and growth

The innovation argument also needs a sharper distinction between fundamental research and the process by which knowledge becomes innovation, productive firms, jobs and higher local productivity. The United Kingdom has genuine international strengths in fundamental research. There is no obvious case for fragmenting the national research system simply in the name of devolution.

The weakness lies further along the chain. The 2020 Metro Dynamics report *Place Matters*, commissioned by Bruntwood SciTech, then a joint venture between Bruntwood and Legal & General, argued that Britain's fundamental research was world-leading but that innovation policy had struggled to spread that strength through businesses and places.³⁴ It distinguished between innovation assets, innovation ecosystems and the wider place ecosystem, arguing that successful innovation districts and institutions cannot be separated from the places and business networks around them.³⁵ Independent analysis points the same way, highlighting both the concentration of public R&D spending in a few parts of the country and the long tail of UK firms that have been slow to adopt the best available technologies and practices.^{36 37}

That distinction remains important. National institutions such as UKRI, Innovate UK and the Catapults can fund research excellence, national missions and specialist infrastructure. But diffusion, adoption, skills, business support, land and property, local finance and cluster development interact in particular places. The Innovation Accelerator pilot in Greater Manchester, the West Midlands and Glasgow City Region, which ran from 2022 to 2026, was itself an acknowledgement by national government that innovation has a spatial and institutional dimension.³⁸

³⁴ Metro Dynamics, *Place Matters: Innovation & Growth in the UK*, commissioned by Bruntwood SciTech, a joint venture between Bruntwood and Legal & General, 2020

³⁵ Mike Emmerich, Metro Dynamics, *Levelling up & the Role of innovation: Place Matters*, 2020

³⁶ Tom Forth and Richard Jones, Nesta, *The Missing £4 Billion: Making R&D Work for the Whole UK*, 2020

³⁷ Andrew Haldane, *Productivity puzzles*, speech at the London School of Economics, Bank of England, 2017

³⁸ UK Research and Innovation, *Innovation Accelerator Programme*

The case for devolution here is therefore not that local government should allocate all science funding. It is that a national research system needs capable place-based institutions able to connect research assets to firms, skills, investment and economic strategy. The long-standing UK difficulty has not been generating science alone. It has been turning excellence into broadly distributed innovation and productive growth.

10. Devolution with standards

The strongest conclusion from the evidence is that devolution and national standards are not opposites. Well-designed multi-level systems separate several functions that England often bundles together at the centre.

This distinction is important. Devolution should allow places to make different political choices about priorities and about the means used to pursue them, and some resulting variation may be deliberate. The question considered here is different: whether decentralising the organisation and delivery of services necessarily produces greater variation in performance where a common national standard or entitlement remains the objective. The evidence reviewed above suggests that it need not. National standards can be specified and enforced nationally without requiring every operational decision to be taken nationally.

National government can establish universal entitlements and minimum standards. It can determine the outcomes against which performance will be judged, collect comparable data, protect rights, regulate professions and markets, fund services according to need, and intervene where performance falls persistently below an agreed floor. Some functions will remain national because of scale, redistribution or spillovers.

Regional and local institutions can then be given discretion over the organisation of services, the combination of budgets and interventions, commissioning and partnerships, and the adaptation of policy to local circumstances. They can coordinate functions that Whitehall departments frequently manage separately but which interact in the lives of citizens and firms.

Figure 5: National standards and local discretion



Schools illustrate the need for both sides of the equation. Autonomy without accountability can perform badly. National direction without operational discretion can suppress adaptation and learning. Denmark's health system shows national entitlement without national operational monopoly. Germany's vocational system shows national occupational standards combined with Länder responsibility and employer governance. Nordic employment systems show different combinations of national and municipal responsibility, with continuing reform as evidence changes.

This suggests a more demanding model of devolution than simply transferring budgets. It requires clarity about outcomes, capability at the receiving level, comparable information, mechanisms for intervention and an explicit decision about the geography appropriate to each function.

11. Greater Manchester and the practical English test

Greater Manchester remains particularly relevant because it has attempted to build horizontal coordination across services within an English constitutional system that remains strongly departmental. The health evidence does not prove that every service should be devolved, but it weakens the claim that local discretion necessarily threatens standards or equity. Two studies find the largest relative health gains in more deprived or less healthy parts of the city-region.

The history of Greater Manchester also shows a recurring institutional problem. Central government has repeatedly accepted the logic of place-based coordination in principle while retaining programme design, contracts and budgets within departments. Commitments on skills, employment and business support have often proved fragile when they required a genuine transfer of authority.³⁹ This creates a system in which local government is asked to coordinate outcomes without controlling many of the principal levers.

The practical case for the next stage of English devolution should therefore be tested rather than asserted. Advanced strategic authorities should be able to take responsibility for selected functions where the case for place-based coordination is strong, within explicit national outcome frameworks as appropriate. The point is not to escape accountability. It is to move accountability away from compliance with nationally specified inputs and processes towards delivery of transparent outcomes.

12. Conclusion

The evidence does not show that centralisation never improves performance, or that devolution generally does. Nor can the performance of centralised English services by itself establish that centralisation caused their weaknesses.

Devolution nevertheless carries an expectation of political difference. Local leaders may choose to give greater priority to some outcomes than others, or to pursue common objectives in different ways. Whether they should also be free in some fields to choose different standards of service is a separate political and constitutional question and is not addressed here. The question tested in this paper is whether devolved operational responsibility is itself incompatible with maintaining national standards where those standards continue to be expected.

The wider evidence supports a more precise conclusion. There is no general empirical basis for treating national administrative control as a prerequisite for either high performance or national standards. Advanced countries routinely combine national entitlements, regulation,

³⁹ Mike Emmerich, *The Knowledge Broker: Sir Howard Bernstein's Manchester and Lessons for National Renewal*, Part V, chapters 19 and 20, forthcoming, March 2027

monitoring and accountability with substantial subnational responsibility for service organisation and delivery. The appropriate balance varies by function.

The experience of schools is a useful warning against drawing the wrong conclusions in either direction. England's comparatively strong recent PISA performance has occurred under a system with forceful national direction over curriculum, assessment and accountability. The devolved nations have made different choices and have not all performed as well. But England has also combined that national framework with substantial operational autonomy at school and trust level. The lesson is not centralisation. It is that autonomy works best inside a strong framework of standards, evidence and accountability.

The same pattern appears elsewhere. Denmark combines universal national health entitlements with regional and municipal delivery. Germany combines national vocational standards with Länder and employer responsibility. Nordic employment systems combine national policy with varying degrees of municipal discretion, and the OECD finds that decentralised systems can secure consistent access across the country where binding accountability frameworks and agreed minimum service standards are in place. Greater Manchester's emerging health evidence suggests that greater local coordination across services, within the national NHS framework, can improve outcomes.

The evidence reviewed here does not show that devolved operational responsibility inherently or automatically creates a postcode lottery. National systems already contain substantial geographical variation, while decentralised systems can combine local discretion with common national entitlements, standards, monitoring and intervention. The relevant distinction is between variation that follows from legitimate political choice and unacceptable variation in the performance of services for which a common national standard continues to be expected.

The more useful question is therefore which decisions genuinely need to be national, which require regional scale, which benefit from local coordination, and what national standards and accountability are needed around them. Uniform standards do not require uniform administration. Devolution can allow local leaders to make different choices about priorities and methods without requiring the abandonment of national expectations about service performance. If England continues to centralise functions that could be performed better at another scale, that should be justified by evidence rather than assumed as the natural condition of government.

The evidence reviewed in this paper is consistent with the direction set by *Rewiring the State*, where the Government's ambition to shift greater power, funding and accountability towards local leaders does not necessarily require the abandonment of national standards. Rather, it requires a different relationship between the centre and place, one in which the centre is clearer about national entitlements, outcomes and accountability, while strategic authorities have sufficient discretion and capability to integrate services and resources around the context, needs and opportunities of their places.

The challenge therefore moves from whether or not to devolve to how to construct a system capable of making devolution work. That makes the capacity and capability of strategic authorities not a secondary implementation question but a central condition of successful 'rewiring'.

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