Learning from the past: What social care reform needs to get right

ACCOUNTS COMMISSION

Lessons from Accounts Commission audits

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Introduction

1. Scotland is considering what next for social care. The recent Programme for Government states 'Right now, the arrangements we have in place to manage and deliver social care in Scotland are too often inconsistent in their delivery…reform of both the National Health Service and local government must also include examining all options for the future governance and delivery of social care'.

2. Social care, and its importance to health and wellbeing, has been an important issue for the Accounts Commission for many years. We have published numerous reports in this area, including Integration Joint Board (IJB) financial bulletins (2024, 2025 and 2026); Delayed discharges (2026); Community health and social care: IJB Performance (2026); Adult mental health (2023); Health and social care integration (2015 and 2018); Self-directed support (2014 and 2017) and Social work in Scotland (2016) – all our reports in this area since 2015 can be found here. We plan to report further on the sustainability of adult social care in 2027.

3. This paper brings together findings from our audit work to identify lessons relevant to the Scottish Government's current consideration of social care reform and to highlight conditions that evidence suggests are necessary for successful and sustainable improvement. The analysis draws on more than a decade of audit evidence across governance, workforce, finance, performance and outcomes within Scotland's integrated health and social care system.

4. Taken together, our audit work suggests that many of the challenges facing social care are linked to longstanding issues of sustainability, capacity, performance and outcomes. Reform will need to address the underlying pressures affecting the sector. Workforce shortages, financial constraints, increasing demand, persistent inequalities, fragmented data and slow progress towards prevention continue to place significant pressure on services and communities.

5. The evidence supports the ambition to reform social care but also points to risks which will need to be effectively managed. The collaboration and agreement required for the reform of social care has been hard to achieve. The success of reform will depend on whether it addresses the underlying issues that have constrained progress across the system over many years.

Organisational reform alone will not deliver change

6. Our audit work highlights that significant public service reforms frequently encounter challenges during implementation. Experience across Scottish public services demonstrates that establishing new organisational arrangements, while important, is rarely sufficient on its own to secure improved outcomes. The risks associated with implementation, organisational change and service continuity therefore require careful consideration from the outset.

7. Changes to social care governance and delivery may provide opportunities to improve outcomes, accountability, and service quality. However, previous reforms, including health and social care integration, community planning and wider public service reforms have demonstrated the complexity of achieving sustainable change in practice.

8. One consistent lesson from our audit work is that successful reform depends not only on organisational arrangements but also on culture, leadership, effective relationships, and a shared commitment to improving outcomes. Structural and governance changes should be viewed as enabling mechanisms rather than ends in themselves. Future reform should maintain a clear focus on improving outcomes for people who use services.

9. A sustained focus on the longer-term future of social care is welcome. At the same time, policymakers will need to consider how reform can be delivered without diverting attention from immediate pressures facing the sector, including financial sustainability, workforce challenges, unmet need, and delivery of existing policy commitments. Effective reform should demonstrate how it will address both current and future challenges while maintaining continuity of support for individuals and communities.

10. Our work has consistently highlighted the importance of robust planning. Integrated strategic, operational, financial and workforce planning will be critical to successful implementation. Reform objectives should therefore be clear about the challenges to be addressed, the outcomes expected and the mechanisms through which improvement will be achieved.

Keep people at the centre

11. Throughout our work, we have highlighted the importance of understanding services from the perspective of the people who use them. Social care reform directly affects individuals who receive support, their families and carers, and the workforce across public, private and third sector organisations. Their experience should play a central role in shaping future arrangements.

12. There is also a need to recognise the importance of place and community. Local communities frequently have a strong understanding of

local needs and circumstances. Future arrangements should therefore seek to preserve local knowledge, relationships and responsiveness while pursuing wider system improvement.

13. Ultimately, reform should be assessed by whether people experience better support, greater choice and control, more joined-up services and improved outcomes.

Learn from health and social care integration

14. Health and social care integration offers important lessons for future reform. While progress has been made in some areas, our audits found that many of the original ambitions have not been achieved at the scale intended. Services have often remained fragmented, resources have not consistently shifted towards prevention and community-based care and governance arrangements have sometimes lacked clarity.

15. One recurring challenge has been uncertainty regarding accountability and decision-making roles and responsibilities. Different organisations have often interpreted arrangements differently, creating barriers to effective collaboration and delivery. Future reform should therefore establish clear governance, accountability and shared expectations from the outset.

16. The experience of integration demonstrates the importance of learning from previous reform programmes and ensuring that longstanding barriers are explicitly addressed as part of future change.

The workforce is central to sustainable reform

17. The sustainability of the social care workforce will be a key determinant of the success of any future reform. Social care services depend upon both paid staff and unpaid carers, and longstanding challenges relating to recruitment, retention, pay inequalities, capacity, skills and workforce planning continue to affect service delivery.

18. If reform is to achieve its intended objectives, workforce challenges will require sustained attention. This includes longer-term workforce planning, improved understanding of future demand, investment in leadership and skills development and creating conditions that support fair work and workforce wellbeing.

19. Our audit work indicates that changes to governance arrangements are unlikely to achieve their intended impact unless workforce capacity and capability are addressed alongside them. A sustainable workforce is essential for sustainable reform.

Better data supports better decisions

20. Across multiple audits we have identified weaknesses in the availability, quality and sharing of information. Differing IT systems and

technology between partners can hinder the sharing of information. Organisations do not always have the data necessary to understand demand, plan services effectively, evaluate performance and outcomes or allocate resources efficiently.

21. For people using services, poor information sharing can result in fragmented experiences, repeated assessments and delayed support. For organisations, it can hinder strategic planning and informed decision-making.

22. Future reform should therefore include a clear focus on improving data quality, information sharing and analytical capability across organisational boundaries. Better information is not simply a technical requirement. It is essential for effective planning, accountability and service improvement.

23. Equally important is clarity about what reform is intended to achieve. Objectives, expected benefits and timescales should be clearly articulated, accompanied by appropriate performance measures and reporting arrangements. Spending decisions should be linked to intended outcomes, allowing progress and value for money to be assessed consistently over time.

Financial sustainability cannot be an afterthought

24. Perhaps the most significant issue identified in our reports is the sustained growth of social care expenditure. Demand for adult social care continues to grow, there is an increasing complexity of need, costs are rising faster than funding uplifts and the sector faces significant workforce pressures.

25. The Accounts Commission has described IJBs as being in a critical financial position. In 2024/25, IJB net expenditure totalled £12.5 billion; projected funding gaps were estimated at £449 million; almost half of IJBs had exhausted contingency reserves and reliance on additional contributions from partner councils and NHS boards to achieve financial balance was increasing. With increasing cost pressures and the total level of reserves now lower than the budget gap forecast, IJBs need to take decisive action and make difficult decisions about services. Social care reform must therefore be built on realistic assumptions about future resource needs.

26. Further, these pressures raise important questions about the capacity of the current system to absorb the costs, risks and operational demands associated with major reform. Consideration of affordability, transition costs and longer-term sustainability should therefore be integral to reform planning rather than addressed retrospectively.

27. Our work has repeatedly found weaknesses in medium- and longer-term financial planning across public services. Major reforms frequently underestimate costs, timescales and implementation complexity. Robust

financial planning, scenario modelling and routine review of assumptions are therefore essential components of successful reform programmes.

Leadership, collaboration and culture are critical enablers of reform

28. Our audit work consistently highlights the importance of effective leadership and collaborative working. Delivering successful reform requires organisations and leaders to work across traditional boundaries and develop shared approaches to planning, performance management and service delivery.

29. Previous audits identified barriers arising from organisational cultures, differing priorities and limited information sharing. These factors can reduce trust, impede collaboration, and slow progress towards shared objectives. Similar challenges were highlighted in the Christie Commission's work on public service reform and continue to be relevant today.

30. Previous audit findings suggest that insufficient leadership capacity, weak collaborative arrangements and organisational barriers can substantially reduce the likelihood of successful implementation. Reform therefore requires capable leaders, clear accountability, appropriate support, and sufficient capacity to manage change effectively.

31. An important consideration is how leadership performance is incentivised and assessed. Measures focused solely on short-term organisational performance can create barriers to collaboration. Future arrangements should support collective responsibility for delivering improved outcomes across organisational boundaries and communities.

Implications for reform

32. Drawing on findings from our audit work, we have identified eight areas that the Scottish Government and its partners may wish to consider when developing social care reform proposals. These reflect recurring themes from our reports and lessons emerging from previous public service reform programmes:

1. **Clarity of purpose**

   Reform should begin with a clear articulation of the problems to be addressed, the outcomes to be improved and the rationale for any organisational change. There should also be clarity regarding affordability, delivery arrangements and transition planning.

2. **Outcomes and people at the centre**

   Future arrangements should be designed around the needs, experiences and aspirations of people who use services, their carers,

and communities. Success should ultimately be judged by improvements in outcomes.

3. **Invest in leadership and culture**

Effective leadership, trust and collaborative behaviours are essential to sustaining improvement. Cultural and behavioural change may be as important as organisational reform in determining long-term success.

4. **Plan comprehensively**

Integrated strategic, operational, financial and workforce planning should underpin implementation. Costs, benefits, and risks should be realistic and subject to regular review.

5. **Establish clear governance and accountability**

Roles, responsibilities, and decision-making arrangements should be clear from the outset and support effective scrutiny, transparency and accountability.

6. **Improve data, evidence and information sharing**

Reform should be informed by high-quality evidence, stronger data systems and effective information sharing. Digital technologies should be considered as part of service improvement and productivity, while maintaining a focus on person-centred care.

7. **Focus on long-term workforce and financial sustainability**

Future arrangements should be informed by realistic assessments of workforce requirements, demographic change, demand pressures and financial sustainability over the long term.

8. **Measure progress and benefits**

Expected benefits should be identified at the outset and linked to clear outcome measures. Progress, costs, and impacts should be monitored and reported transparently throughout implementation.

Questions for consideration

33. In considering social care reform, policy makers and decision-takers may wish to reflect on a number of questions:

- What specific problems is reform intended to solve and what will indicate success?
- How will proposed arrangements improve outcomes for people receiving care and support?
- What lessons from health and social care integration should be incorporated into future reform proposals?

- How will governance and accountability arrangements be simplified and strengthened?
- What are the full financial implications of reform, including transition costs, implementation risks and ongoing operating costs?
- How will community voice and local flexibility be preserved within any future arrangements?

Conclusion

34. The Accounts Commission's audit work over the past decade points to a consistent set of challenges across Scotland's social care system. These include growing demand, workforce pressures, financial constraints, persistent inequalities in outcomes, weaknesses in data and performance information and limited progress in shifting resources towards prevention and early intervention. These challenges persist. The benefits of reform will only be realised if these wider challenges are addressed.

35. As the Scottish Government considers the future of social care, there is an opportunity to build on the lessons emerging from previous reforms and establish a realistic and sustainable basis for improvement. Success should ultimately be assessed by whether people experience better outcomes, greater choice and control, more consistent support and improved quality of life. The focus of reform should remain firmly on the difference it makes to the people and communities who rely on social care services.

36. The Accounts Commission will continue to provide independent scrutiny and evidence to support reform.