Making Prevention Real: What Public Sector Reform Needs to Deliver for Scotland

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Scotland's renewed focus on public sector reform (PSR) comes at an important moment. Public services are under intense pressure. Demand is rising, budgets are constrained, the workforce is stretched, stakeholders feel frustrated, and many communities are losing trust that public policy can improve their lives.

At a recent Scottish Leaders Forum event, *Delivering Together for Scotland*, Ivan McKee, Cabinet Secretary for Public Sector Reform, described the challenge as one of 'rewiring the whole system.' The ambition is welcome. So too is the emphasis on prevention, early intervention, collaboration, citizen empowerment and moving away from siloed, short-term budgets. But, as many of those attending were keen to point out, these are not new ideas. The Christie Commission on the Future Delivery of Public Services made the case for prevention more than 15 years ago. The question on everyone's lips was how we move from agreeing that a preventative approach is needed to realising this ambition in practice, and how we do this in ways that benefit the people of Scotland, especially those communities where change is most needed.

SHERU's work suggests that public sector reform will only improve health and reduce inequalities if, first, the process is designed with implementation at its core and, second, investments are made in the capabilities and infrastructure required to achieve a preventative shift. Scotland already has many ambitious strategies. The problem is that too often the implementation planning, capability and learning is not sufficiently strong to match the ambition. Our 2025 *Inequality Landscape* report argues that, without more effective, joined-up delivery, health inequalities will remain entrenched, and highlights the need for cross-government, cross-sector approaches that break down internal boundaries between Scottish Government policy teams and strengthen partnerships between national government, local authorities, public agencies and the third sector.

Here are seven areas we think need to be considered if Scotland's ambitions for public sector reform that delivers prevention are to be realised.

1. Build vertical connectivity into policymaking to help drive implementation

A major risk is that national policy continues to be developed separately from the people and organisations who understand delivery and implementation the best. Local government and the partner organisations that work directly with communities to deliver key services (e.g., housing, homelessness prevention, employability, social work, education, social care, the NHS and the police) need to shape the design and formulation of policy. We can only expect policies to succeed where local-level implementation is designed into national policy from the start.

Local government, frontline workers and third sector organisations hold vital intelligence about where systems fail, where people fall through gaps, and what would make policy workable. That intelligence needs to shape national policy before decisions are made. This means that public sector reform needs mechanisms to bring national government, local government, frontline services, third sector organisations and communities themselves together at the design stage, using co-design and deliberation methods, where appropriate. The aim should be to shift to a process in which policy design is collaborative, with a focus on implementation feasibility that is built in from the outset, then driven forward in practice.

Ireland's *Connecting for Life* suicide prevention strategy illustrates the value of vertical connectivity, with the evaluation showing positive outcomes. National government established a shared strategy and clear national leadership, but implementation was organised through regional and local action plans developed collaboratively with statutory agencies, local government, community organisations and people with lived experience. National priorities therefore remained connected to local delivery rather than operating as parallel systems.

Scotland's leadership of smokefree public places provides a complementary domestic example. Policy leaders recognised early that implementation could not simply be left until legislation had passed. Consultation, public communication, implementation planning, environmental health officers and local authorities were all engaged before the legislation came into force, helping create exceptionally high compliance from day one.

Every major cross-cutting policy should include a jointly developed implementation plan, supported by Scottish Government, COSLA, delivery partners and community representatives. This should include plans that not only help drive implementation forward but also create spaces for ongoing learning that centre community and frontline experiences.

2. Strengthen horizontal leadership across Scottish Government

Many of the policies that shape health inequalities sit outside health. There is broad agreement that housing, employment, education, community development, community planning, justice, policing, social work, transport and social security all matter for health. Yet Scottish Government remains highly siloed. What is more, unlike the UK Government, there is no direct equivalent of a Cabinet Office, so there is no obvious part of the Scottish Government that has the authority and capacity to drive cross-cutting work across directorates. The result is that national strategies often call for whole-system action while the machinery of government continues to organise budgets, accountability and leadership around portfolios. Policies that are positioned as collective often simply cite each other.

Public sector reform needs government to organise around shared missions and outcomes rather than existing organisational structures and portfolios. This is far closer to the kind of fundamental reshaping that Ivan McKee has talked about and, if the Christie principles are to be realised, there needs to be much greater ambition here. Policies designed to improve public services need to reflect the complexity of people's lives by developing coherent, cross-cutting visions that are jointly developed by directorates and ministers. The creation of the Prevention Unit signals recognition of this challenge. The next step is ensuring it has the authority, capability and cross-government relationships needed to influence how policy is designed and implemented across government.

International experience suggests this requires dedicated cross-government leadership. Finland's long-standing *Health in All Policies* approach created mechanisms through which health considerations were routinely incorporated across government. Similarly, Wales' *Well-being of Future Generations Act* established statutory wellbeing objectives that require public bodies to work collaboratively towards shared outcomes. Neither approach has solved fragmentation entirely, but both recognise that cross-cutting ambitions require cross-cutting governance rather than relying solely on goodwill between departments. Recent work on mission-oriented government similarly argues that effective governments combine ambitious goals with institutional humility, learning continuously from implementation rather than assuming that policy design alone is sufficient to achieve change.

3. Replace siloed KPIs with collaborative accountability

It is essential that public sector reform does not simply layer additional targets and performance indicators on top of existing structures. If this happens, the likely outcome will simply be a workforce who already feel stretched and caught between competing priorities, struggling to know how to respond and spending further system resource on reporting. This includes among delivery partners, many of whom are situated in the third sector and are least positioned to absorb further administrative burden. This means public sector reform needs to begin by asking what can be removed from already complicated performance management systems. Siloed KPIs that reward narrow organisational performance should be replaced with collaborative measures linked to shared outcomes that directly link to improved citizen experiences and long-term wellbeing.

This requires careful design, resourcing (including for IT infrastructure improvements) and oversight to support innovation and effective delivery. Collaborative KPIs need to be connected to budgets with multi-year budgets, incentives and accountability, as well as a clear theory of change (see Recommendation 7). Frontline services, local government and partners, as well as affected communities, need to play a role in shaping these decisions so that these changes carry the support of those most impacted. They also need to be meaningful enough to guide action but not so numerous that they become yet another form of the 'organisational and accountability spaghetti' that has been observed in Scotland.

A prevention-focused nation cannot simply measure long-term outcomes; it also needs evidence that systems are becoming more preventative, better connected and more responsive along the way. From a health inequalities perspective, the proposed reform of the National Performance Framework is particularly significant. Ensuring that prevention remains a core principle, rather than an implicit assumption, will be important if the NPF is to guide policy decisions towards earlier intervention and long-term investment. If the NPF is to function as Scotland's overarching wellbeing framework, it will also need to provide a means of assessing whether policy and public services are becoming more preventative before changes in population health and health inequalities become visible.

New Zealand's Better Public Services reforms suggest that collaborative performance measures can help organisations work together more effectively but only when accompanied by changes to governance, leadership and accountability. This suggests that simply introducing shared indicators is unlikely to change behaviour unless organisations are also given the incentives, authority and capacity to collaborate.

Replacing multiple siloed performance indicators with a smaller number of jointly agreed, collaborative performance indicators is a necessary part of public sector reform in Scotland but this needs to be done alongside changes that help achieve collaborative

accountability across the whole public sector system alongside navigating emerging policy challenges Scotland is facing such as an ageing population. Indicators should not only assess current performance but whether Scotland is building the capabilities needed to sustain prevention over the next decade, including collaborative leadership, workforce capability, data infrastructure, community participation and implementation learning.

4. Put communities facing the sharpest inequalities at the centre

The communities most affected by inequalities need a stronger role in shaping Scottish policy. This should go beyond listening exercises towards collaborative policy design and implementation oversight. Here, Scotland could build on its innovative approach to embedding people's panels in the Scottish Parliament's scrutiny functions to make much more systematic use of deliberative engagement in policy design stages.

This needs to be supported by longer-term partnerships with community organisations, who should also be informing strategic policy conversations, and by making greater use of community-grounded research, especially collaborative, co-produced and community-led research that focuses on problems as affected communities see them, as well as capturing their diverse experiences and needs. These approaches can help policymakers understand how people experience systems as a whole, and the ways in which harms accumulate across systems, rather than through the silos of government.

This requires synthesising different types of evidence and information into decision-making. Currently, while officials are often interested in community insights, they report finding it challenging to integrate more qualitative insights into decision-making processes that have been designed to foreground routine administrative data and economic metrics. This suggests there is a need to better consider how such insights can shape policy decisions in Scotland and to ensure associated skills development within the Scottish civil service.

This is especially important when it comes to understanding the experiences and needs of groups who currently occupy 'policy blind spots.' SHERU's 2025 *Inequality Landscape* report highlights young adult men at risk of preventable deaths from drugs, alcohol and suicide as one such group. On average, men aged 18–44 can appear to be doing relatively well, but this masks a subset in Scotland who face overlapping risks across poverty, insecure work, homelessness, justice involvement, poor mental health and social isolation. Public sector reform must be capable of seeing these intersections before people reach crisis. Considering how proposed changes would work to benefit population groups

most at risk of early, preventable illness and death is likely to be a useful ‘test’ in policy design and implementation.

Iceland's approach to preventing substance use among young people offers an important lesson. Rather than beginning with a predetermined set of interventions, national government invested in understanding what communities felt children and families needed to thrive. Local areas, schools, parents, voluntary organisations and young people themselves then became active partners in designing local responses to concerns within a shared national framework, based upon local data. This programme, called Planet Youth, is also in place in seven Scottish Local Authorities, where it is administered by Winning Scotland.

Scotland has further experience of deliberative innovation through the Scottish Parliament's People’s Panels. Public sector reform presents an opportunity to build on these foundations by involving communities much earlier in shaping policy itself, rather than only scrutinising it once proposals have been developed. Community organisations that are leading on co-producing research in Scotland, such as The Poverty Alliance and the Scottish Community Development Centre, are likely to be key partners in developing a Scottish approach here. If the Scottish Government is serious about delivering for the people of Scotland then it needs to move beyond consultation to co-design and deliberative engagement that support policy design and implementation learning.

5. Invest for prevention: funding, budgeting and demonstrating long-term value

There is now a broad consensus that prevention makes good fiscal sense – indeed, that it is essential for putting the public finances on a sustainable footing. The Scottish Government’s preventative budgeting pilot is a step in the right direction. Yet the need to prioritise prevention often runs counter to the siloed and short-term way that budget processes currently work. If public services reform does not address the institutional barriers at play, it will only reinforce them.

Prevention requires resources to be invested strategically, with the benefits taking time to materialise and often accruing across different parts of the public sector. Yet, as the Scottish Government’s Public Service Reform Strategy acknowledged, budget processes can encourage or even compel organisations and portfolios to prioritise the immediate pressures facing their specific areas. If it is to achieve a genuine shift to prevention, the PSR agenda must not only avoid the trap of expecting rapid financial savings across the board, and thus replicating the failures of the current, reactive model of budget-making; it must actively reform that model.

However, public sector reform cannot simply add prevention alongside every existing priority. A genuine shift upstream will require deliberate choices about what Scotland stops doing, reduces or redesigns so that scarce resources, workforce capacity and leadership attention can be redirected towards prevention. Without those choices, there is a risk that reform simply follows the path of least resistance, with short-term political, operational and financial pressures continuing to crowd out the long-term investment on which prevention depends.

Public services also need better ways of understanding where costs are displaced rather than reduced. Preventative investment often generates savings elsewhere in the system rather than within the organisation making the initial investment. Unless these wider system costs and benefits are identified and valued, prevention will continue to appear less financially attractive than it really is, reinforcing incentives for organisations to prioritise short-term pressures over longer-term gains.

For example, investing in earlier intervention through housing, employability, or community policing may increase costs in the short term for those services, while reducing future demand on courts, prisons, emergency healthcare, and homelessness services. If every organisation or portfolio is expected to demonstrate savings within its own budget, particularly over a short period, many of the most valuable preventative investments will never be made. Instead, a strategic approach is needed, one that recognises the interdependencies between different areas of spend and which is therefore capable of setting a clear path to prevention over the long run. Such a strategy should not be developed centrally and imposed. Rather, it should emerge through collaboration between national government, local government, frontline organisations and communities, combining clear national direction with local flexibility in implementation.

This is not to say that such an approach will be straightforward. It raises questions around responsibility and accountability, including between different organisations, portfolios, and levels of government, and further questions about how to appraise and evaluate preventative investments with imperfect data, long time horizons, and complex causal pathways. Perhaps more than anything, it raises the question of how to free up the initial resources needed for preventative investment. While such investment should reduce the demand for acute services over the long term, it will be difficult to reduce the supply of these services in the short term given that in many cases they are already stretched.

Yet international experience shows that alternative approaches are possible. New Zealand's Wellbeing Budget built on a wider programme of cross-government reform that encouraged agencies to work collectively on long-term wellbeing priorities and to develop joint investment cases around shared societal challenges. An evaluation suggests this helped strengthen cross-government collaboration and shifted attention towards longer-term outcomes. However, they also conclude that changing budgeting alone was

insufficient: collaboration proved strongest where it was accompanied by shared leadership, governance and accountability arrangements, while traditional departmental funding and performance systems continued to constrain progress. Similarly, Iceland's long-term prevention model has demonstrated the value of sustained investment over many years, supported by regular monitoring, community engagement, and adaptation rather than expectations of immediate financial returns.

All of this reinforces the need for preventative budgeting to be genuinely embedded in the budget-making process, rather than treated as a standalone exercise – the fate of many of its predecessors. A feasible starting point might be to pilot multi-year pooled prevention budgets around a small number of shared outcomes (for example, preventing homelessness). Beyond this, the budget process itself needs to be embedded in a wider programme of public sector reform that places prevention at the centre.

6. Build implementation capability through learning, evidence and shared intelligence

Public sector reform needs to reposition implementation as core to national policy design and oversight - a continuous process of learning, in which evidence flows back into policy development so that policies and services are refined over time. Developing the implementation capability may prove one of the most important long-term investments the Scottish Government can make. By implementation capability, we mean the leadership, relationships, skills, data, funding arrangements, learning infrastructure and governance needed to translate policy ambitions into sustained improvements in people's lives.

If the aim is to encourage innovation, then this also requires a different learning culture, grounded in humility. Prevention inevitably involves experimentation. Some innovations will succeed, while others will not. It is essential not to attempt to eliminate failure but to ensure Scotland learns from failures quickly, openly and systematically.

There needs to be a stronger national role in supporting implementation and creating opportunities for shared learning. Rather than relying on organisations to innovate in isolation, Scotland should establish regular forums that bring together national government, local government, the NHS, Police Scotland, housing providers, education, social work, the third sector and communities to share both promising practice and honest reflections on initiatives that have not delivered the hoped-for outcomes. Creating psychologically safe environments in which organisations can discuss implementation challenges, and focus on working these through, may prove just as valuable as celebrating success. SHERU's Action Learning Sets and Scotland's *Library of Mistakes* both

demonstrate the value of creating space for learning rather than blame; public sector reform presents an opportunity to embed this ethos across the wider public sector.

Building implementation capability also requires better use of evidence. Effective implementation depends on bringing together different forms of intelligence: linked administrative data that helps us understand long-term outcomes and how people move through systems; qualitative research that explains why those patterns occur; implementation insights from frontline practitioners; and lived experience from communities themselves. Too often these forms of evidence remain disconnected from one another.

Scotland has considerable strengths to build on. A range of administrative, survey, longitudinal and emerging smart data assets, supported by partnership working across Scotland's data and research infrastructure, including eDRIS, ADR Scotland and Research Data Scotland, increasingly enable researchers and policymakers to better understand experiences, outcomes and inequalities over time. Examples include linked data projects exploring the relationship between housing and child health and factors associated with school absence, as well as research examining experiences of poverty and other risk factors among young people who offend in Scotland. Together, these studies help build understanding of how experiences across different services and life stages influence later outcomes, and where earlier intervention may improve outcomes for individuals and communities.

Yet the challenge is not simply one of generating more evidence. Significant opportunities remain to make better use of existing data to understand not only interactions with individual services, but also how people move through services and systems over time. This would provide a stronger basis for understanding child wellbeing, mental health and social outcomes, the experiences of marginalised populations, and how multiple forms of disadvantage interact and accumulate over time. Realising these opportunities will require greater national leadership to support responsible data sharing across organisations. Too often frontline services and local partnerships report uncertainty about information governance and GDPR, leading organisations to err on the side of not sharing information, even where lawful and appropriate sharing could improve outcomes for individuals and communities. Public sector reform should therefore not only continue to invest in better data infrastructure, but also in building confidence, capability and shared understanding about how data can be used responsibly to support prevention.

Building implementation capability is also a role for Scotland's wider public sector ecosystem. Audit Scotland, the Scottish Housing Regulator, Healthcare Improvement Scotland and other scrutiny bodies can help shift attention from compliance alone towards learning, implementation quality and prevention, creating stronger feedback loops between practice and national policy.

Finally, Scotland should identify a small number of early indicators that help assess whether public sector reform is moving in the right direction. Improvements in population health and inequalities may take many years to emerge. In the meantime, there should be clear expectations about what success looks like along the journey. These indicators should reflect the experience of citizens and frontline services. For example:

- Citizens reporting greater confidence that Scotland is becoming a place where they and their families can thrive;
- Service users reporting it is easier to get the help they need, especially those with greatest needs;
- Greater use of linked data and use of diverse evidence types to inform national and local decision making;
- Increased confidence among frontline staff that they can share information safely and appropriately across organisational boundaries;
- Evidence that people are being asked to tell their story fewer times as data sharing improves and services become better connected;
- Stronger collaboration between organisations around shared outcomes;
- Greater confidence among local partners and communities that national government is listening, learning and adapting as reform progresses.

Thinking explicitly about these intermediate signs of progress could help maintain momentum while ensuring reform remains focused on improving people's everyday experiences of public services.

7. Start with a clearer story about who the reforms are for and the future Scotland they intend to build

Public sector reform will not engage the public or key stakeholders if the focus is only on efficiency, structures or stopping things that do not work. All of these changes may be necessary, but they are not a ‘main character’ that can sustain the support necessary to achieve change.

This reform needs a stronger public narrative: what kind of Scotland are we trying to build, why are changes needed, and how will people’s lives improve as a result?

This matters for rebuilding and maintaining trust. Communities, especially those who currently feel ignored and deprioritised, need to understand the direction of travel and feel part of decision-making processes. Reform will involve difficult trade-offs, which are more likely to be accepted if they are connected to a shared purpose and if the most affected communities are engaged and directly shaping decisions.

Scotland's Violence Reduction Unit demonstrates the importance of building a narrative in driving public sector reform. By placing a compelling story at the centre of the case for change, Karyn McCluskey and John Carnochan reframed violence as a preventable public health issue, rather than solely a criminal justice problem. That shift in narrative has been assessed as fundamental to what Scotland achieved with violence reduction, helping legitimise new partnerships and reshape how both professionals and the public understood the problem.

As leadership writer Simon Sinek has argued, *"people don't buy what you do; they buy why you do it."* Public sector reform is more likely to succeed if it is interpreted and experienced as a programme for societal good, rather than organisational restructuring, budget reductions and performance frameworks. However, a compelling narrative on its own is not enough. Trust is built, and lost, through everyday experiences of public services. Long waits, poor communication, unsafe housing, and repeated failures to resolve problems can gradually erode confidence that public institutions will act in people's interests. Once trust has weakened, it becomes more vulnerable to misinformation, misunderstanding and polarisation, making future reform harder. Prevention therefore depends not only on communicating a compelling vision but on ensuring that people's day-to-day interactions with services reinforce rather than undermine that vision.

Our view is that the Scottish Parliament's Public Sector Reform: Pre-budget Scrutiny Consultation misses an opportunity to frame this process in a way that engages stakeholders. People are far more likely to engage if they understand the purpose of reform and can see how it contributes to a better future for themselves, their families and their communities. So, to succeed, public sector reform in Scotland needs a clear vision of where we are going and a shared theory of change, all of which needs to be wrapped in an accessible narrative that key stakeholders and communities can recognise themselves within.

Concluding Reflections: Building the capabilities for prevention

Public sector reform could become the route through which Scotland finally realises its long-standing ambition to become a genuinely prevention-focused nation. It could help move resources upstream, connect policy areas that currently operate separately, strengthen public trust, and create public services that intervene earlier, learn continuously and improve people's lives more effectively.

But this will not happen through aspiration alone. Public Sector Reform needs: stronger connections between national government, local partners and communities; cross-

government leadership that drives shared missions and outcomes in ways that overcome organisational silos; collaborative accountability; meaningful community participation; long-term investment in prevention; the implementation capability and learning spaces needed to turn ambition into lasting change; and to bring all this together in a narrative that motivates change and sustains support, via a compelling national story about the future Scotland is trying to build.

Ultimately, citizens will judge progress through their experiences and the Scottish Government's assessment of progress needs to reflect this if it hopes to sustain public support for long enough to achieve the ambitious changes that are sought. Does it become easier to get help? Do services work together? Do people feel listened to? Do communities believe Scotland is becoming a fairer, healthier place to live? If those experiences begin to improve, public sector reform is likely to be moving in the right direction long before changes appear in national statistics.

The Christie Commission challenged Scotland to move from reacting to problems towards preventing them. For more than fifteen years, Scotland has shown international leadership in articulating the case for prevention. The next phase of public sector reform must be judged by whether it builds the capabilities needed to make this vision a reality.