A national care service

Briefing 3: Next steps in adult social care reform

March 2026

Contents

Executive summary **3**

Introduction **4**

Principles for achieving effective adult social care reform **5**

Scotland: resetting social care after the NCS **6**

Current path 6

Recommendations for next steps in adult social care reform in Scotland 6

England: working towards an NCS **8**

Recommendations for the Casey Commission on next steps 8

Wales: continuing the NCS project **9**

Current path 9

Recommendations for next steps: ensuring results 9

Conclusion **11**

Executive summary

- CIPFA and LGIU conclude their series on national care services (NCSs) across the UK by focusing on the next steps in adult social care reform in England, Scotland and Wales.
- Drawing on the lessons we have learned in the previous briefings in this series, we propose principles for how to achieve effective adult social care reform on a national scale.
- These principles cover themes including funding, collaboration, implementation, place, prevention, outcomes and workforce.
- We make recommendations to the Scottish, Welsh and UK governments on the next steps to take in adult social care transformation related to finance and governance.

Introduction

The previous briefings in this series can be accessed on the CIPFA and LGIU websites. So far, we have tracked progress towards NCSs across the UK from the inception of the policy in each country to the present day, and we have drawn lessons from the Scottish and Welsh NCS experiences. This briefing continues the trend of the series through past, present and future and looks at the next steps towards adult social care reform in England, Scotland and Wales.

In May 2026, there will be elections to the Scottish and Welsh parliaments, and to thousands of local government seats in England. This represents an opportunity to consider the future of adult social care reform across the UK. In Scotland, this is about adult social care reform after the NCS. In Wales, this is about how to move forward with the NCS project. In England, this is about how to move forward with the first steps of establishing an NCS.

We begin the briefing by proposing principles for achieving successful adult social care reform, which we have drawn from the lessons learned from the Scottish and Welsh NCS experiences. We then give a brief explainer of the current path towards reform in each country, and we will make recommendations to each country's government on actions to take on the journey to adult social care reform.

The recommendations have been distilled from interviews carried out with social care and finance leaders from across the UK. There are many more recommendations that could be made, but for the purposes of this briefing, we focus on a small number of key proposals related to finance and governance.

Principles for achieving effective adult social care reform

In the previous briefing in this series, we proposed that given the different directions of NCS reform across the UK, the term 'national care service' is more the broad concept of an improved adult social care system than any clearly defined project. The term has instead primarily operated as a branding exercise, seeking to evoke the UK's treasured National Health Service.

As the Fabian Society has argued, this may be to the detriment of effective adult social care reform, as it creates an expectation that an NCS and the NHS are comparable, when in England, Scotland and Wales this has not been the case.

For this reason, in this briefing we provide principles for how to reform adult social care on a national scale rather than specifically on how to establish an NCS, whatever that may mean.

Principles for achieving effective adult social care reform:

- **Answer the funding question:** Ensure financial and business cases are robust and make the argument for a financially sustainable system that delivers improved, consistent, high-quality care.
- **Construct a plan with consensus built in:** Build and maintain buy-in and momentum through engagement and collaboration with a broad range of stakeholders with system expertise.
- **Develop a timeline:** Avoid uncertainty with a clear, co-produced implementation plan with realistic expectations around delivery capacity. Iteration works better than a "big bang" and allows for adaptation throughout the lifespan of the policy development process.
- **Embed the importance of place and social care as part of a wider system:** Take a whole-system, place-based approach to care reform, recognising that adult social care reform is local government reform and will inevitably be affected by cross-cutting local services such as housing and health.
- **Prioritise prevention:** Promote better long-term outcomes for people through early intervention.
- **Evidence benefits to people who draw on care and support:** Reform proposals should be clearly articulated and evidence how they will improve outcomes and lived experience.
- **Keep the workforce central:** Adult social care cannot operate without carers, and both a workforce strategy and support for unpaid carers are necessary for sustainable success.

Note: in the Scotland and Wales sections below, we discuss the current path of reform as at February 2026. The results of the Holyrood and Senedd elections in May 2026 may lead to a change in the health and care policies of the Scottish and Welsh Governments.

Scotland: resetting social care after the NCS

Current path

Following the disruption caused by the NCS project in Scotland, there is now a chance for a reset in approach to adult social care reform. The Scottish Government maintains its commitment to the principles of the NCS but acknowledges that it must achieve these through means other than structural reform.

The Care Reform (Scotland) Act 2025 is the main legislation currently guiding adult social care reform. It grants a legal right for people in adult care homes to see loved ones, creates a right to breaks for unpaid carers, improves access to information and integrated care records, and strengthens access to independent advocacy.

In 2025, the Scottish Government established a national care service advisory board to support improvement in social care and community health services. This was followed by the publication of the Health and Social Care Service Renewal Framework. The framework aims to deliver a financially sustainable health and care system that improves the outcomes of the people of Scotland over ten years. Five principles guide the future direction of health and care renewal:

- Prevention
- Care designed around people
- More care in the community
- Population planning
- Digital

Recommendations for next steps in adult social care reform in Scotland

From the interviews with Scottish social care and finance leaders, it's clear that despite the fractiousness created during the NCS project, there is a shared understanding of the main challenges in the social care system in Scotland. These challenges mainly relate to finance and governance.

Many of the same challenges that were raised in the interviews were identified in the Independent Review of Adult Social Care in 2021, which was the catalyst for the Scottish Government's NCS journey. This reveals that the original diagnosis of the challenges in Scotland was correct, but that the Scottish Government's treatment did not work.

Some of the recommendations below were a part of the NCS project, showing that it was not individual reform policies that were flawed but the Scottish Government's approach to reform.

Finance

Despite the significant advances in social care in Scotland in recent decades, the current adult social care financial settlement in Scotland is not working. Funding is structurally unsustainable and increasingly unable to meet the expectations of communities and policy makers. Resources are directed at keeping the wheels on the service rather than improvement and sustainability.

There was recognition among interviewees that funding for social care will have to increase over time, but that this increase should come with purpose rather than as a reaction to increasing demand, with investment in front-line services to improve quality and access to care. There should also be a shift from reaction to prevention.

Recommendation: Dedicate funding to service sustainability and improvement.

Available resources are currently directed to keeping a struggling service afloat and towards policies that do not increase capacity or improve outcomes. This recommendation is about reprioritising resources to enable public bodies to innovate, redesign services and improve financial resilience.

Recommendation: Clarify financial accountability within integration.

After the NCS experience, there is an appetite for practical, deliverable changes within existing structures. Current integration arrangements blur responsibility and do not serve their intended purpose effectively. For example, set-aside budgets were intended to enable resources to shift from acute to community settings when demand reduced. However, in practice, in some areas it is treated as a purely notional accounting entry, while in others it is a major financial pressure over which integrated joint boards (IJBs) have no control. This mechanism, as an example, needs reform so that funding genuinely flows towards care in the community. Other areas of reform include pooled budgets and risk-sharing arrangements.

Governance

Scotland's integration structures are inconsistent, fragmented and complex. There are 31 IJBs (six of them in the Greater Glasgow and Clyde Health Board area alone), and they all have divergent integration schemes, delegated services and financial arrangements. Such variation acts as a block to collaboration and value for money. Structural simplification, reduced fragmentation and clearer governance must be central to adult social care reform in Scotland.

Recommendation: Standardise delegated services.

Different IJBs have different integration arrangements with responsibility for different parts of the social care system. For example, some have responsibility for children's services, while others don't. While different local integration arrangements offer greater flexibility, standardising the services delegated to IJBs would reduce inconsistency, foster greater collaboration and create a clearer integration system. Consistency in what is delegated will make it easier to compare performance, financial pressures and drive national policy.

Recommendation: Review opportunities to strengthen scale, collaboration and shared capacity across IJBs.

There is an opportunity to improve strategic capability, governance resilience and efficiency by exploring how IJBs can operate at greater scale where appropriate. This could include shared commissioning arrangements, joint analytical and financial functions, or closer alignment

of neighbouring partnerships. Strengthening collaboration across IJBs would help reduce duplication, improve consistency of strategic planning and support more effective management of financial risk, while retaining the benefits of local accountability.

England: working towards an NCS

The government's current reform trajectory in adult social care is framed around the development of an NCS, with the Casey Commission tasked with advising on its scope and design. To date, the direction of travel suggests a standards-led model rather than wholesale structural centralisation: strengthening national expectations on workforce, commissioning and accountability, while retaining local delivery.

Any proposed changes will be introduced into an evolving policy landscape including local government reorganisation, devolution to mayoral combined authorities and the NHS's ten-year planning cycle, all of which shape the operating environment for reform.

Expert stakeholders broadly supported reform as a joint national–local endeavour. There was agreement that national government should set clearer standards, simplify funding and workforce levers, and address cross-system inefficiencies with health and housing, while local authorities should retain responsibility for market shaping and service delivery.

The discussion emphasised that the success of an NCS will depend less on creating a new institutional structure and more on aligning funding, workforce policy and system incentives across national and local levels.

Recommendations for the Casey Commission on next steps

The major themes on how to move forward with the NCS in England raised by stakeholders include: ensuring financial sustainability, the division of responsibilities between central and local government, and the joining-up of policies around people who draw on care and support.

Points that the Casey Commission should consider in their next steps towards building an NCS in England include:

- Clarifying the problems the NCS aims to resolve. If building an NCS in England is the answer, what is the question? The Casey Commission should define the core problems it is seeking to resolve in terms of entitlement, provision and funding. It should clarify: is an NCS about national standards, funding reform, structural reform, or all of the above?
- Answering the funding and 'who pays' questions. The current funding model for social care is regressive and overly reliant on local taxation. The balance between state and individual contributions remains problematic and unresolved. The Commission should prioritise resolving social care funding.
- Making workforce reform central to the project. Vacancy and turnover rates, poor domestic workforce development and the need for improved training and qualifications were cited as requiring a government-led national adult social care workforce strategy. The Commission should treat workforce planning, pay, training and retention as core pillars of reform.
- Understanding adult social care as part of a wider system around the individual. Adult social care reform cannot take place in isolation. Many other public services, including housing,

health and leisure, have an impact on demand for adult social care and vice versa. The Commission should pursue simplified cross-system funding arrangements and coordinated reform across health, housing and care.

- Retaining local government responsibility for social care while setting national standards. Adult social care reform is local government reform and needs to be a joint national–local project. Commissioning standards, workforce strategies and the enforcement of accountability were all seen as important national-level processes, while responsibility for adult social care should remain local.

Wales: continuing the NCS project

Current path

Unlike in England and Scotland, there is an ongoing implementation process in Wales. This started with the stage 1 implementation plan, which was scheduled to have ended by the start of 2026. The stage 1 programme included significant research required for the development of the stage 2 plan, due to cover 2026–2028. At the time of writing, there have been no statements on the conclusions of stage 1, and stage 2 plans are set to commence after the Senedd elections in May 2026.

Our conversations with stakeholders outlined a number of priorities for reform that should be considered as part of the stage 2 plan. According to the initial implementation plan, stage 2 should include:

- future legislative changes
- a developed plan that takes into account the challenges facing social care and the financial context
- further progress on rebalancing care and support, including growth of the third sector, cooperatives and the public sector for delivering services.

Each of these will require careful consensus building. The future legislative changes should be brought forward using the lessons learned from Scotland's approach: that consensus between political groups and local and central government are essential for ensuring that the policy is well designed for its eventual purpose, and that it can maintain the support needed to be implemented.

Recommendations for next steps: ensuring results

Finance

Recommendation: Work to create a clear understanding of the costs of the current regime and where resources are currently sufficient and insufficient.

The initial important step that must be taken when it comes to funding the delivery of social care in Wales is to determine how much funding is already in the system, where it falls short

based on the current social care regime, and how the necessary funding may change given the intention of introducing care "free at the point of need."

There were several areas where existing funding was considered insufficient for the demands of today's regime, such as with the increased cost of national insurance contributions.

Recommendation: Model a series of options for sustainably funding an NCS, taking into account the importance of prevention.

This initial fact finding is central to the question of how resources will be used within the NCS. This should be based on the understanding of social care operating within a system including other policy areas, such as health and housing, and where demand is likely to be affected by changing policies. The aim should then be to build a consensus around these options and deliver a sustainable funding system for the type of national care service that is envisioned.

Governance

Recommendation: Clearly demarcate the future national and local responsibilities, with national responsibilities over, for example, rates of pay and standards but with significant local flexibility over delivery.

There was strong support across stakeholders for social care to remain locally delivered, with local authorities and partnerships retaining responsibility for planning and operational decisions. However, this needs to be underpinned by much clearer national direction about what should be determined once for the whole system and what should remain locally flexible. In particular, national leadership on workforce expectations, pay frameworks, standards and core entitlements was seen as essential to reduce variation, strengthen equity and support workforce sustainability.

Recommendation: The National Office for Care and Support should engage in regular consensus-building activities to notify other stakeholders of progress and the areas where decisions are yet to be made.

Stakeholders highlighted a need for greater visibility, transparency and shared ownership of the reform journey. While governance arrangements are formally in place through the National Office for Care and Support, many partners reported uncertainty about progress since publication of the implementation plan, including which decisions have been taken, which remain open and how organisations can meaningfully contribute. More systematic engagement would help build confidence and maintain momentum.

Given the final model of an NCS is still evolving, sustained consensus building will be critical to maintaining sector alignment, managing expectations and ensuring that incremental delivery continues alongside longer-term policy development.

Conclusion

In this briefing, CIPFA and LGIU have set out principles for how governments across the UK can achieve effective adult social care reform, drawing on the lessons from recent reform efforts in England, Scotland and Wales. We have deliberately focused on adult social care transformation rather than the creation of an NCS as a specific institutional model, because the meaning of an NCS has diverged significantly across the three countries. There is no single blueprint. Instead, the term has become a political shorthand for the ambition to create a more sustainable, equitable and higher-quality care system.

Despite differences in policy direction, a number of consistent lessons emerge across the UK. First, reform cannot succeed without confronting the funding question directly. Sustainable improvement requires clarity about the balance between public funding and individual contributions, alongside investment that supports prevention, workforce stability and service capacity.

Second, clarity of accountability between national and local government is essential. Reform programmes falter when responsibilities are blurred or when structural change is pursued without aligning incentives and decision-making authority.

Third, implementation matters as much as policy design. Building consensus, maintaining stakeholder confidence and delivering incremental progress are critical to sustaining reform momentum over time.

The recommendations in this briefing therefore focus on practical next steps in finance and governance that can move reform forward within each country's current context. In Scotland, this means stabilising integration arrangements and improving financial accountability following the disruption of the NCS programme. In England, it means ensuring that the Casey Commission addresses funding, workforce and national–local roles as the core foundations of any future model. In Wales, it means translating the ambitions of the NCS programme into clearer financial planning, stronger national–local alignment and more visible delivery progress.

Ultimately, adult social care reform is not a single policy event but a long-term process of system change. Success will depend less on creating new organisational structures and more on aligning funding, workforce policy, accountability and local delivery around the needs of people who draw on care and support. Governments across the UK now have an opportunity to move from ambition to implementation.

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03/2026