How do we unlock preventative investment?

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Author: Anna Whelan

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Introduction

For decades, governments have talked about the need to divert resources from downstream services – dealing with failure – to upstream services – prevention and early intervention – to reduce demand for costly crisis intervention. Both UK and Scottish governments have given prominence to the cause, manifested through their respective agendas for health service reform in England and Wales, and for public sector reform in Scotland.

A perennial barrier to investment in prevention has been the difficulty of demonstrating the causal relationship between inputs and outcomes, when those outcomes may take a

generation to manifest. As long ago as 2013, LGiU, in partnership with Mears and the British Red Cross, conducted a study tracking preventative spend in the London Borough of Camden. The report noted the familiar challenges which so often block preventative measures:

- A culture which sees the public sector as a safety net and resists early intervention.
- Ever-increasing demand for acute services due to demographic and policy changes.
- Cost pressures on local authority budgets forcing cuts in discretionary services.
- Four year council cycles leading to political short-termism.

LGIU worked with Camden officers to determine which of their budget lines were contributing, directly or indirectly, to their target outcome to "delay and reduce the need for care and support" for older people in the borough, enabling them to remain for longer in their own homes. Those participating in the project gained a greater understanding of how a diverse range of services contributed to a single outcome, and a stronger case to protect those services from future cuts.

The Camden study stopped short of reporting on outcomes, which would have required a much longer time frame. But enough time has now passed that it has become possible to observe and measure the outcomes of investment from ten or twenty years ago, and evaluate which interventions have been most effective. This is valuable information for the decision-makers of today who are weighing up similarly long-term investment decisions.

Shifting the balance of spending

Early in 2024, in an invitation to participate in prevention research, CIPFA surveyed recent thinking on the question of how to put the principles of prevention into effect. Their focus was on health but recognised that, in a long-term context, many of the services contributing to the wider determinants of health are delivered by local government rather than health providers.

The solution put forward by the think tank DEMOS proposed a radical change to central government spending distribution, from two channels – revenue and capital – to three, with the third being ringfenced for prevention. CIPFA's own recommendation, previously proposed in their 2022 paper Integrating care: policy, principles and practice for places,

was a twin-track approach which addressed immediate pressures while aiming to ensure services were sustainable in the long term by investing in services that affected the wider determinants of health.

To effectively shift the balance of spending, it was necessary to establish an accurate and transparent understanding of how much was currently being spent on preventative activity, and this was the object of CIPFA's research. Their aim was to develop a proof of concept – to test whether it is possible to define, map and measure preventative investment consistently across public sector organisations.

To do this, they worked directly with four local authorities: London Borough of Merton, Three Rivers District Council, Wigan Metropolitan Borough Council and Rhondda Cynon Taf County Borough Council. CIPFA's findings are set out in Understanding Preventative Investment, which includes a practical toolkit for public sector organisations wanting to map and measure preventative spend.

Mapping and measuring preventative investment

CIPFA's approach, while co-produced with local authorities, is designed to be adapted to the structures and financial systems of other organisations in both the public and third sectors. A consistent approach facilitates integration and partnership working, essential to health and care provision and increasingly important in other areas too, like housing and youth services. Very often, the effectiveness of preventative partnership work is clearly evident to practitioners, but must still be demonstrated to decision makers.

The CIPFA model uses a four step approach, essentially the same as LGIU's Camden pilot:

1. **Set the scope:** Establish a clear focus area to ensure services are considered on a consistent basis. This could be a specific programme or strategic priority, or it could be the organisation's total investment.
2. **Map services:** Identify all services and activities that fall within the chosen scope, regardless of whether they are preventative, enabling or non-preventative.
3. **Classify services:** Apply the agreed definitions to classify each service/activity based on its target population and primary purpose.

4. **Collect financial information:** Link services to financial information to understand how much is being invested in each area.

To classify services under step 3, we need to determine the degree to which they contribute towards prevention. Three basic definitions are in the CIFPA model:

- **Preventative:** Activity designed to increase the resilience of individuals and communities and reduce or delay the likelihood or severity of future demand for reactive activity.
- **Enabling:** Activity that is not in itself preventative but is required to support or facilitate the delivery of a preventative activity.
- **Non-preventative:** Activity designed to support basic operations or reactive services but does little or nothing to reduce the likelihood or severity of future demand for reactive activities.

Preventative services are further subdivided according to how far upstream or downstream the intervention is taking place. We can define these as:

- **Primary:** Actions intended to reduce risk factors and stop problems arising.
- **Secondary:** Early detection of problems and intervention to prevent escalation.
- **Tertiary:** Actions to minimise impact and reduce escalation of ongoing problems.

Full case studies for all four councils can be found in the guidance; one is summarised here by way of example.

CIPFA case study: London Borough of Merton

Merton utilised its Borough of Sport priority to embed prevention across the council, addressing local inequalities through increased physical activity and social connections. Applying CIPFA's mapping approach, the council identified £524,996 of relevant 2023-24 spending, 67% of which was preventative and the remainder enabling, with a strong focus on primary prevention in terms of reducing barriers to physical activity and embedding movement into daily life. The initiative also leveraged around £2.4m in external funding.

Key lessons included the importance of clear project scope, early involvement of finance teams, and recognising both preventative and enabling spend. The work provided Merton

with its first clear baseline for preventative investment and will inform future planning and reporting, including their Annual Public Health Report 2025-26.

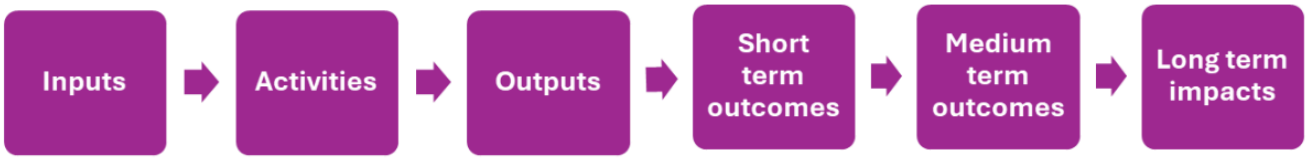
CIPFA's toolkit leads councils through their four step process and contains much helpful advice and guidance. But, like the earlier Camden study, it stops short of evaluating the impact of that intervention.

Evaluating preventative investment

Scottish Government has a longstanding culture of evaluation and, in 2024, published an Evaluation Action Plan, setting out their vision for evaluation and the actions they were planning to deliver it in future years. As they observed, good quality evaluation helps to prioritise limited resources and improve decision making by providing credible, impartial evidence about whether, how and why policy is working.

While the action plan is not about prevention specifically, much of it is relevant to the evaluation of long term preventative interventions. In particular, SG recommends that policy makers and analysts construct a Theory of Change (or logic model) at the design stage of every new policy or intervention.

A model for Theory of Change



Theory of Change is helpful in analysing prevention because it prompts us to set out clearly the relationship between inputs and long-term impacts, and all the stages in between. It is a good way to document the type of information which the CIPFA toolkit is designed to collect and establish a framework which can be revisited periodically to ensure the intervention is still on track. Definitive guidance on Theory of Change can be found on the Government Analysis Function website, an invaluable resource for civil servants hosted by the Office of National Statistics.

A second useful aspect of the action plan is the link it establishes between appraisal and evaluation. Appraisal helps decision makers choose between options before implementation, while evaluation provides evidence of how well an intervention has worked during and after implementation. Appraisal is especially helpful for long term investment because it offers a way to forecast the likely impact of an intervention when outcome data is not yet available. Measures such as Social Return on Investment can help to quantify the social value of anticipated benefits in financial terms, for ease of comparison.

Scottish Government set up a new Centre of Expertise on Appraisal and Evaluation of Spending Programmes in 2025, to deliver the evaluation action plan. In accordance with their plan, the first product issued by the new Centre was its own High Level Theory of Change.

So far, so good. But we still need to demonstrate to our decision-makers that preventative investment indisputably works. For this, we can turn again to Scottish Government and their 2025 publication, Learning from 25 years of Preventative Interventions in Scotland.

Demonstrating positive outcomes from preventative investment

Scottish Government set out to create a bank of examples of preventative interventions that have been successfully introduced in Scotland, and draw out some overarching observations. Here at last, we have the Holy Grail of preventative investment: tangible evidence that prevention works.

The 15 case studies in the report were selected to illustrate different preventative approaches, drawing on examples of primary, secondary and tertiary prevention, and including examples from across a range of policy areas. Some are large-scale national programmes, some are small-scale local projects, and several started small but were then scaled up in response to positive evaluation evidence. Evaluation focused mainly on impact, but encompassed an element of process evaluation to help improve any future implementation.

The selection purposely includes only those interventions which were successful, cost-

effective and potentially scalable, with good quality evidence of impact in Scotland. This makes the report particularly valuable to those seeking to demonstrate the likely impact of similar schemes to decision-makers today.

We will look at some of the Scottish case studies in the context of key areas of preventative practice.

Lifetime benefits for children

The Institute of Public Policy Research (IPPR) calculated in 2017 that every child excluded from mainstream school in England costs the state £370,000 over their lifetime in extra education, benefits, healthcare and criminal justice costs. IPPR found that excluded pupils taught in 'alternative provision' were twice as likely to be taught by an unqualified teacher or a temporary supply teacher, making it more difficult for them to build the stable relationships that would contribute to improving their educational and life prospects. Their report, Making the Difference, called for a new programme to develop specialist school leadership and to improve understanding of 'what works' to support vulnerable and disengaged young people.

Scottish Government's report observes that 'return on investment' is typically higher for primary prevention in the early years of life, and even pre-birth. The positive benefits of prevention have the potential to be realised throughout a child's whole lifetime, and can impact subsequent generations too. One third of the Scottish case studies focus on pregnancy, babies and young children.

Scottish Government case study: Childsmile

Childsmile, introduced in 2006, is a national oral health programme intended to improve children's oral health across Scotland, reduce the need for dental treatment, and narrow long-standing socio-economic inequalities in tooth decay.

Preventative interventions included supervised daily toothbrushing in nurseries and targeted primary schools, community and practice support for families, especially in deprived areas, and regular fluoride varnish applications for young children, particularly those at higher risk.

Childsmile has been extensively evaluated from the start by the University of Glasgow's School of Medicine, Dentistry and Nursing. After nearly two decades, the programme can demonstrate significant long-term impacts:

- Improved dental health: the proportion of Primary 1 children with no obvious decay rose from 45% in 2003 to 73% in 2024.
- Reduced inequalities: the gap in oral health between the most and least deprived children decreased from 32.2 percentage points in 2010 to 23.6 in 2024.
- Cost savings: by year 8, the toothbrushing programme was saving an estimated £5m/year, more than 2.5x its costs.

Childsmile is still running today and has gained international recognition and adoption by other countries around the world.

Reducing harm from alcohol

The Institute of Alcohol Studies reported in 2024 that alcohol-related harm in England alone cost £27.44 billion per year, the equivalent of £485 per head of the entire population. The total was made up of £4.91 billion in additional NHS costs, £14.58 billion in crime and disorder, £2.89 billion in social services and £5.06 billion to the wider economy.

Scotland has an even higher rate of alcohol misuse than England. The Scottish Health Survey for 2024 reported that 29% of men and 13% of women in Scotland were drinking at hazardous or harmful levels. While the incidence of problem drinking has been reducing steadily in Scotland, notably among younger drinkers, it is still high in the 55-64 age group, especially in areas experiencing multiple deprivation. 1,185 alcohol-specific deaths were registered in Scotland in 2024, two-thirds of them men.

A barrier to progress was that alcohol has been becoming more affordable, especially via off-licence sales, which averaged 54p per unit of alcohol in 2017, half the price of pub sales. Scottish Parliament passed the Alcohol (Minimum Pricing) (Scotland) Act in 2012 but it took until 2018 to overcome legal challenges from alcohol producers. The programme began in 2018, with a 'sunset clause' requiring review and a second vote in 2024.

Scottish Government case study: Minumum Unit Pricing

Minimum Unit Pricing (MUP) was introduced in Scotland on 1 May 2018, setting a minimum price of 50p per unit. Designed as a primary prevention policy, MUP aimed to reduce alcohol-related harm by increasing the price of cheap, high-strength drinks disproportionately consumed by hazardous and harmful drinkers. MUP applied to all off-trade alcohol sales (shops and supermarkets) and was supported by a comprehensive evaluation programme coordinated by Public Health Scotland.

In the short term, there were some quick wins. Alcohol sales below the minimum price virtually disappeared. There was a 3% reduction in per adult sales in the first three years, with the largest declines among households purchasing the greatest volumes of alcohol. Effects were strongest among men and heavier drinkers, with no consistent evidence of unintended consequences.

Positive impacts included a reduction in alcohol-specific deaths by 13.4% in the first two years, fewer hospital admissions for chronic alcohol-related conditions and associated NHS savings. There were markedly greater benefits for people in the most socio-economically deprived areas, demonstrating a reduction in alcohol-related health inequalities.

In 2020 Wales became the second nation in the UK to introduce an MUP of 50p per unit for all alcohol. Scottish Parliament voted in 2024 to continue the programme and raise the MUP to 65p per unit.

Housing First

Shelter reported last year that councils in England alone spent £2.8bn on temporary accommodation for homeless households in 2024-25, a 25% increase on the previous year. Scottish Parliament declared a national housing emergency in 2024, followed by 13 Scottish councils. In early 2026, Community Housing Cymru reported that 2,400 children in Wales were living in temporary accommodation.

In December 2025, the UK Government launched A National Plan to End Homelessness, their long-term vision to end homelessness and rough sleeping. As the plan notes, the

majority of people who sleep rough have complex and overlapping support needs, which may include any or all of recurring homelessness, substance misuse, mental health issues, domestic abuse, and interaction with the criminal justice system. Their need for repeated crisis interventions puts a heavy load on support services: one in five of those entering temporary accommodation in Wales in November 2025 was a repeat placement. One of the measures promoted by the plan is Housing First.

Housing First is a primary prevention intervention aimed at people who have multiple and complex needs and who may have a history of rough sleeping. The approach treats housing as a fundamental human right and does not demand preconditions such as sobriety or treatment readiness. Wraparound support services are offered, but uptake is not compulsory. Housing First has been adopted by numerous countries, including the USA, Finland, Canada and France.

Scottish Government case study: Housing First Pathfinder

Scotland's Housing First Pathfinder ran from 2019–22 and provided rapid access to mainstream permanent tenancies for homeless people with multiple and complex needs, supported by flexible, long-term, person-centred support. The programme operated in five urban areas, housed 579 people and drew on a collaborative commissioning model funded by the Scottish Government, Social Bite and partners. An independent evaluation by Heriot Watt University assessed process, impact and economic outcomes.

While COVID 19 disrupted the programme, it still demonstrated positive outcomes. Tenancy sustainment was 88% at 12 months and 80% at 24 months, matching international benchmarks. Tenants gained safety and a stable base for recovery, with reduced reliance on emergency services and more engagement with treatment-focused support. Average support costs of £5,632/year per person were far lower than the estimated baseline costs of crisis support at £23,000/year.

Beyond the Pathfinder, Housing First has become a national model. By September 2024, 27 local authorities were delivering Housing First, with 1,206 tenancies started since April 2021 and 85% 12 month sustainment. Some participants have moved into employment or volunteering, and children are living in more stable homes. Housing First is viewed as a "sector disruptor", reshaping multi-agency working and embedding a holistic,

person-centred approach in homelessness services.

The Scottish Government's Housing to 2040 strategy commits to making Housing First the default for those with the greatest needs.

Resourcing preventative investment

Now that we have definitive proof that prevention works, our next step must be to mainstream prevention in local government, and that means unlocking funds to invest in it. This will not be easy, but the alternative option of ever-increasing failure demand is unsustainable.

LGIU publishes annual reports on the State of Local Government Finance in England and Scotland. The most recent of these documents a growing cashflow crisis in many councils and a lack of confidence in their future ability to balance the books. In England, between 2018 and 2023, eight councils issued Section 114 notices; 73% dug into reserves last year to meet revenue costs. In 2025, 29 English councils availed themselves of the UK Government's Exceptional Financial Support scheme, enabling them to use their capital budgets, or borrow, to balance their revenue budget. But as council leaders and chief executives have pointed out, the scheme provides no new money and saddles struggling councils with increasing debt. It does nothing to build resilience.

Many councils have responded to the funding crisis by cutting services, and the first to go are always discretionary services, many of which are preventative rather than reactive. For example, YMCA England and Wales reported in February 2026 that the amount spent on youth services by local authorities in England and Wales had fallen by 10% in a single year, and in England had fallen by 76% in real terms over the past 14 years. These are the upstream services which can engage with disaffected young people and ultimately prevent school exclusions, with their lifetime costs to both the young person and the public purse.

Conclusion and call to action

Realistically, prevention is the only sustainable solution to the prospect of ever-increasing demand for reactive public sector services. Local government has the motivation and the opportunity; it lacks only the means.

As LGIU observed in the 2026 State of Local Government Finance report for England (and this is true also for Scotland), governments must confront the fundamental reality that there is simply not enough money in the system. If they are serious about wanting councils to invest in preventative services, the only practicable way to achieve this is through a new resource, ringfenced for that purpose. Nothing less will do.

And finally, CIPFA has issued its own Call to Action with a view to support and showcase learning on prevention across the public sector. Those interested in the CIPFA approach are invited to join a new Community of Practice to test it out and share their experience. The Community of Practice will be launched at CIPFA's annual conference, on 15–16 July 2026, and you can learn more by contacting Zachary Scott at zachary.scott@cipfa.org.