

The State and Future of Social Work and Social Care Funding in Scotland

SWS Discussion Paper for Members and Partners

29 January 2026

1. Purpose of this Paper

This paper provides a summary of key messages from recent reports on social work and social care funding in Scotland, with a focus on system-level pressures, emerging risks, and implications for sustainability. The bridging report by Social Work Scotland ([Report 1](#)) collates perspectives from two other papers, one looking at the impact of Self-directed Support (SDS) reductions on social workers and another on the impact on disabled people and unpaid carers.

This summary is intended to inform discussion with members and partners, including COSLA and the Scottish Government, by highlighting how current funding trajectories are shaping experiences, outcomes, and capacity across the system.

This paper takes a system-level perspective and does not attribute responsibility to individual organisations or practitioners. It is offered to support constructive dialogue and shared understanding, rather than to propose delivery solutions or funding decisions.

2. Summary of Key Findings from the Funding Report by Social Work Scotland

2.1 Lived Experience and Frontline Impact

The papers highlight the significant human impact of sustained funding pressures on people who draw on social care, unpaid carers, and the social work workforce.

Reductions and constraints affecting SDS particularly Option 1 (direct payments), have reduced choice, control, and flexibility for many disabled people. In practice, this has led to care arrangements that are often less responsive to individual need and preference.

Social workers report increasing difficulty in delivering person-centred, rights-based practice within tightening eligibility criteria and financial controls. Many describe experiencing moral and ethical strain

when required to implement decisions driven primarily by affordability, while also being the visible point of contact for service users experiencing fear, frustration, or loss.

Trust across the system has been eroded. Supported people and carers frequently report feeling excluded from decision making and inadequately informed about changes to support. Social workers report rising levels of conflict, complaints, and emotional labour, combined with limited scope to influence resource decisions.

Across both groups, the impacts are consistently framed in terms of dignity, autonomy, and human rights, alongside concern about emotional harm and legal or financial consequences arising from changes to care and support.

2.2 Legislative and Policy Context - Policy aspiration, legal provision, and expectations

The Social Care (Self-directed Support) (Scotland) Act 2013 establishes rights to choice and control. The report suggests that while these rights remain legally intact, their practical realisation is increasingly constrained by affordability rather than policy intent or professional judgement.

The Public Bodies (Joint Working) (Scotland) Act 2014 created integrated health and social care arrangements through Integration Joint Boards. While integration was intended to improve outcomes and enable resource shift towards community-based support, the report identifies ongoing concerns about financial transparency, the balance of investment between acute and community services, and the cumulative effect of recurring deficits.

The Independent Review of Adult Social Care (2021) articulated an ambition for a rights-based National Care Service and parity of esteem with the NHS. The report suggests a growing gap between national policy ambition and local operational reality, particularly in relation to funding sufficiency, workforce capacity, and deliverability.

Social work leadership is identified as a critical influence in navigating ethical practice, workforce wellbeing, and statutory duties within a high constraint environment.

In the bridging report by Social Work Scotland, we highlight a growing misalignment between the political and policy narrative surrounding social work and social care, and the specific duties and constraints set out in current legislation. Over time, policy discourse has increasingly emphasised rights-based approaches, international conventions, and high-level commitments, which have understandably raised expectations about what people should receive from the system and how it should operate.

However, the statutory framework continues to require local authorities and practitioners to assess need regularly and apply resource-based eligibility criteria, prioritising population level risk, and sustainability within available resources. In many cases, services are implementing the law as it is currently drafted, even where this falls short of the more aspirational vision articulated in policy. This divergence risks directing

frustration and blame towards practitioners and local decisionmakers, rather than towards the underlying gap between legislative provision, funding reality, and policy ambition.

2.3 Funding Pressures and System Sustainability

We describe throughout the report, a convergence of pressures undermining financial sustainability, including real-term constraints on public finances, inflation driven cost increases, workforce pay pressures, and rising demand linked to demographic change.

IJBs are managing increasing deficits and relying more heavily on non-recurrent measures and reserves. Workforce challenges are acute, with recruitment and retention difficulties, high vacancy rates, and an ageing workforce affecting continuity and quality of care.

Demand for social care is projected to rise substantially, particularly among older age groups, while waiting lists for assessment and support continue to grow. Preventative and early intervention services remain vulnerable despite strong policy consensus on their long-term value.

2.4 Socioeconomic Contribution of Social Care

We emphasise that social care should be understood not only as a cost but as a social and economic investment. Evidence cited indicates that investment in social care supports employment, community resilience, and reduced pressure on acute health services. Underinvestment risks cost shifting/migrating from social work and social care budget across the wider public sector and delivering poorer outcomes overall.

3. Points for Consideration

Drawing on the issues outlined above, the following points for consideration are intended to support the Social Work Scotland Board's dialogue with national and local partners. They do not imply direction to delivery organisations, nor do they commit the Board to funding or operational decisions.

1. Strengthen data consistency and transparency to support funding and policy decisions

Scottish Government, COSLA and system partners should strengthen the consistency, transparency, and accessibility of national and local data on social work and social care demand, eligibility, unmet need, and funding decisions, to support credible policy development, financial planning, and public accountability.

Improved data should enable clearer understanding of system pressures and reduce reliance on short term or partial evidence when making strategic decisions.

<p>2. Align rights based social care policy with sustainable funding</p>
<p>Scottish Government and COSLA should take joint action to ensure that rights based social care legislation, including Self-directed Support, is underpinned by realistic and sustainable funding assumptions and resource.</p> <p>This should include clearer national guidance on how statutory rights are expected to be realised in practice during periods of fiscal constraint. This could support consistent decision making, transparent communication, and system credibility.</p>
<p>3. Improve transparency and consistency in local eligibility, review, and communication processes</p>
<p>Local Authorities and Health and Social Care Partnerships should strengthen transparency around eligibility decisions, resource pressures, and review processes, within existing statutory and financial frameworks.</p> <p>Clearer communication with supported people and carers about the reasons for changes to care and support, and greater consistency in how reviews of care and support are conducted, are essential to reduce distress, challenge, and loss of trust.</p>
<p>4. Address ethical and organisational risk within the social work workforce</p>
<p>Scottish Government, COSLA and Local Authorities should explicitly recognise and take action to mitigate the ethical and organisational risks faced by the social work workforce arising from prolonged financial pressure.</p> <p>This includes ensuring that professional judgement, supervision, and organisational support are prioritised where practitioners are required to achieve statutory duties with constrained resources.</p>
<p>5. Progress a fully costed, long term workforce strategy for social care</p>
<p>Scottish Government and COSLA, working with NHS Boards as system partners, should progress a fully costed, long term workforce strategy for social work, and social care, which addresses recruitment, retention, pay, conditions, and career pathways, recognising interdependencies with the NHS labour market.</p>

National expectations placed on local employers must be aligned with clarity on funding, scope, and timescales.

6. Strengthen financial transparency and accountability within integration arrangements

Scottish Government, Health and Social Care Partnerships, and audit and scrutiny bodies should strengthen financial transparency within integrated arrangements, including clearer reporting on how resources are allocated and how financial risks are managed across partners.

Improved transparency should support shared learning and system improvement, rather than attribution of fault.

7. Give greater strategic weight to prevention and early intervention

Scottish Government, COSLA, Local Authorities and Health and Social Care Partnerships should give greater strategic consideration to preventative and early intervention services within funding and performance frameworks, reflecting their long term social and economic value.

Where preventative investment is reduced due to short term pressures, the associated risks and longer-term implications should be clearly articulated.

In this context, unpaid carers represent a critical preventative asset within the social care system. Strategic consideration of carer support should therefore form part of prevention and early intervention approaches.

8. Increase funding certainty through multiyear settlements

Scottish Government and COSLA should progress, towards multiyear funding settlements for social care to support effective planning, workforce stability, and service sustainability.

Expectations for reform or improvement must be aligned with the certainty and duration of funding available.

4. Concluding Remarks

Growing pressures risk undermining the sustainability, legitimacy, and effectiveness of social work and social care in Scotland. While many of these pressures sit beyond the control of individual organisations,

Social Work Scotland's Board, and membership have a role in supporting constructive dialogue, articulating system level risks, and influencing national and local partners.

The points for consideration set out above are intended to support that role by clarifying where change or reflection may be needed across the system, without prescribing delivery solutions or reallocating responsibility. That work will be pursued through engagement with Scottish Government, COSLA and other partners. Social Work Scotland supports a clearly defined national short-life group to explore and make recommendations on the issues surrounding social care finance.

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