

A possible starting point for The Prevention Investment Framework

Four briefs for discussion

From the Independent Strategic Advisor - the promise

October 2026



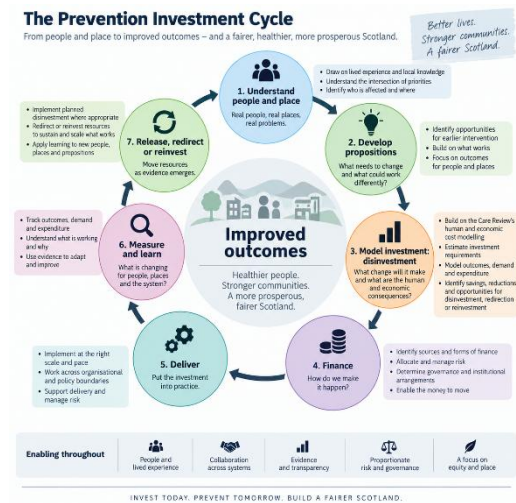
Introduction

This paper should be read alongside the Advice Note from Fiona Duncan, Independent Strategic Advisor - the promise 'Prevention: from ambition to practice', October 2026.

The Advice Note argues that the Prevention Investment Framework should be developed through application: starting with real people, in real places, facing real problems, and using that application to test and refine the methodology.

The question then is: what would it take to begin?

The four briefs that follow are offered as a provocation - a practical "we could start here". They are not an agreed delivery model and have not been approved by Ministers or Cabinet. They are intended to make the next stage concrete enough to test, challenge and improve. The structure, membership, governance, initial application and funding arrangements would all need to be agreed.



One possible approach would bring together four distinct but interdependent functions:

- 🌈 co-designing and continually refining the Framework;
- 🌈 testing and refining it through application to real people, places and problems;
- 🌈 developing the human, economic and financial modelling connecting investment to outcomes, demand and planned disinvestment; and
- 🌈 determining how viable propositions could be financed and governed.

For the purposes of provoking that discussion, the following pages describe those functions as four working groups: the CO-DESIGNERS, the TEST and REFINERS, the ECONOMISTS and ON THE MONEY.

They are not intended to predetermine the eventual machinery. They should not operate as sequential handovers. Each function would need to inform and challenge the others as propositions develop and evidence emerges, allowing the Framework itself to be tested, adapted and strengthened through application.

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Brief: Co-designing Scotland's Prevention Investment Framework

The CO-DESIGNERS

The Scottish Government has committed to co-designing and co-developing a Prevention Investment Framework. This will not be yet another framework demonstrating the case for prevention, but a practical approach capable of changing decisions about policy, resources and delivery. The Prevention Unit's September 2026 Areas of Shared Interest have since set out the emerging scope of that Framework and a number of questions for its development.

The Framework needs to connect policy, people, place, data, finance, delivery and scrutiny. It must help identify where preventative investment could improve outcomes and reduce failure demand; what needs to change across systems to make that possible; what investment is required, from whom and for how long; and where successful change could enable planned disinvestment, redirection or reinvestment.

The Advice Note proposes that the Framework is co-developed through application, rather than designed in theory and tested later.

Subject to Ministerial and Cabinet agreement, one possible initial application could focus on the intersection of whole family support, homelessness, drug deaths, criminal justice and economic activity - not as five separate policy priorities, but beginning with the people and places experiencing those systems simultaneously

The Framework must be designed to flex from the outset: a consistent methodology capable of being applied through different lenses - policy, people, system or place - and ultimately across different social policy areas.

If this model were used, a co-design function could help determine:

- 💡 what capabilities are required to design, apply and continually develop the Framework;
- 💡 who needs to be involved, when and for what purpose, distinguishing a small core design group from those needed for particular applications;
- 💡 what authority and decision-making arrangements are required, so the work can move beyond analysis into action;
- 💡 how policy, financial, analytical, data, delivery, lived-experience and investment expertise are brought together around the same problem;
- 💡 how national and local expertise and decision-making connect;
- 💡 how funders and philanthropists can contribute, including to the design of blended and transitional investment;
- 💡 how evaluation, learning, accountability and scrutiny are designed in from the outset; and
- 💡 how the approach remains sufficiently simple and adaptable to be replicated elsewhere.

The intention would not be to include representatives of every relevant organisation, but to assemble the capability, authority, information, resources and perspectives required to make different decisions possible.

The Prevention Investment Framework – built around capabilities; applied around solutions.



Brief: Testing Scotland's Prevention Investment Framework through application

The TEST and REFINERS

The purpose of *The TEST* and REFINERS is to test whether the emerging Prevention Investment Framework can be applied to real people, in real places, facing real problems, and whether doing so enables different decisions about policy, resources and delivery.

A starting point would need to be agreed with Ministers and Cabinet. One possibility, suggested by the First Minister, is to test the approach at the intersection of whole family support, homelessness, drug deaths, criminal justice and economic activity. These would not be treated as five separate policy priorities; the work would begin with people and places where the issues and systems responding to them intersect.

A test-and-refine function would need to bring together detailed knowledge of lived experiences, local circumstances, services and systems, alongside relevant policy, operational and financial knowledge. They will be provided with analysis of the policies and data and budget lines associated with the people at the intersection of the First Minister's priorities. The task is to use that knowledge alongside theirs to test the emerging Framework and begin identifying propositions for change capable of development and investment.

Working alongside the co-design function, those testing the approach could explore:

- 💡 who and where?
 - Which people and places provide the strongest starting point for understanding the intersection of the priorities?
- 💡 what is happening now?
 - What do people experience; which policies, systems and services are involved; where does need escalate; and where is failure demand being generated?
- 💡 what needs to change?
 - What would materially improve people's experiences and outcomes, and what prevents that happening now?
- 💡 what could be done differently?
 - Where are the opportunities for earlier intervention, different delivery or changes to policy, systems and resources?
- 💡 what might be investable?
 - Which opportunities could become propositions for preventative investment, and what would need to be known or developed before an investment decision could be made?
- 💡 what would success mean?
 - What change in people's lives would demonstrate success; what changes in demand and expenditure might follow; over what timescale; and where might this ultimately create opportunities for planned disinvestment or reinvestment?

The purpose is not to arrive with predetermined interventions or immediately produce fully costed business cases. It is to start with people and place, follow the evidence across existing organisational

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and policy boundaries, and identify propositions sufficiently strong to take forward for further analysis, design and financial modelling.

Application should also test the Framework itself: what works, what is missing, what information is difficult to obtain, where existing decision-making arrangements create barriers, and what needs to change before the methodology can be applied elsewhere.

The intended outputs are therefore twofold: a small number of propositions worth developing, and practical learning that improves the Prevention Investment Framework.

Start with people and place. Understand the systems and services around them.
Find opportunities for change. Build the propositions.



Brief: Investment : Disinvestment Modelling

The ECONOMISTS

The purpose of *The ECONOMISTS* is to develop the analytical and financial modelling required to understand the relationship between investment, improved outcomes, changing demand and planned disinvestment, based on the propositions emerging from the TEST and REFINERS. This is a deliberate building from the Independent Care Review's Human and Economic Cost Modelling and *Follow the Money*.

The work will start from the baseline against which change can be understood: what is currently happening; what is being spent, by whom and where; what demand is being generated; and the financial consequences of current outcomes across different services, organisations and budgets.

The modelling would test the assumptions connecting investment → change → improved outcomes → changing demand → financial effect → disinvestment, redirection or reinvestment.

It will require expertise in economics, public finance, financial modelling, data and analysis, working alongside those with the policy, operational, place and lived-experience knowledge developed through.

The modelling would need to consider:

- ♥ baseline expenditure and demand — what is currently spent across the relevant systems and organisations; what activity that expenditure supports; where failure demand is being generated; and the trajectory of demand and expenditure without change.
 - This is the human and the economic baseline — what people currently experience and the outcomes being achieved; the human consequences where outcomes are poor; the resulting demand across systems and services; current public expenditure; and, where it can be established, the wider economic consequences including lost or increased economic contribution.
- ♥ investment requirement — what additional or different investment is required, where, over what period and alongside which existing expenditure.
- ♥ outcomes and demand — what change is expected in people's lives; how and when that is expected to alter demand for services; and the evidence and assumptions underpinning those relationships.
- ♥ financial effect — where changes in demand are expected to result in cost avoidance, reduced expenditure or cashable savings; in which organisations and budgets those effects will occur; their anticipated scale and timing; and the confidence that can reasonably be attached to them.
- ♥ planned disinvestment — what existing activity, provision or expenditure could reduce, change or cease as improved outcomes and reduced demand are demonstrated; when it would be safe and realistic to do so; and what evidence would trigger those decisions.
- ♥ treatment of financial benefit — what happens to cost avoidance, expenditure reductions and cashable savings when they arise, including whether resources are retained, released, redirected, reinvested or removed from budgets.
 - These assumptions must be built into the model from the outset.

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- 💡 distribution across the system — where the organisation making the investment is different from the organisation experiencing reduced demand or financial benefit, and what this means for incentives, accountability and the movement of resources.
- 💡 timescale and transition — how long investment and existing provision need to operate simultaneously; when financial benefits could reasonably emerge; and the scale of transitional or bridging investment required before resources can move.
- 💡 sensitivity and uncertainty — which assumptions are most important to the model; what happens when outcomes, demand reduction, costs or timescales differ from expectations; and what level of risk this creates.
- 💡 measurement and decision points — what needs to be tracked during implementation and the points at which evidence enables decisions to continue, adapt or stop investment, or begin planned disinvestment.

The purpose is not to manufacture a financial return to justify a proposition. Not all improved outcomes will produce cashable savings and not all cost avoidance will release money from a budget. The modelling must make those distinctions explicit. That is essential to understanding both the value of preventative investment and what resources can genuinely move.

The outputs will be a modelled investment : disinvestment case for each proposition, making transparent the assumptions, evidence, timescales, risks and financial consequences. This will provide the basis from which *The On The Money* group will determine how propositions capable of investment should be financed, funded and governed.

The test is not simply whether investment improves outcomes, but whether we can understand what happens to demand, expenditure and resources when it does.



Brief: Financing and Funding

The On The Money

The ECONOMISTS will have established what investment is required, over what period; the expected relationship between improved outcomes, demand and expenditure; where financial benefits are expected to arise; and the potential route to planned disinvestment, redirection or reinvestment.

This work starts from that evidence.

Its task is to determine where the money comes from, in what form, on what terms, who carries the risk, who holds and deploys the money, and how the financial arrangements support the intended investment : disinvestment pathway.

The On The Money group will bring together expertise in public finance, philanthropy, social and impact investment, banking and investment management, commissioning and procurement, and legal, regulatory and financial governance. This reflects the range of financing mechanisms already identified through the 2024 work.

Questions to resolve would include:

- ♥ sources of finance — what can be funded from existing public resources; where additional or transitional finance is required; who could provide it; and the potential contribution of public, philanthropic and other socially motivated capital.
- ♥ financing mechanisms — what form of finance best fits each proposition, including revenue, capital, grant, loan, bridging finance, commissioning, social or impact investment, or an appropriate blend.
- ♥ timing and duration — when finance is required, for how long, and how investment is sustained through the period in which preventative approaches and existing provision may need to operate simultaneously.
- ♥ risk and return — what risks attach to the investment; who is able and best placed to carry them; how risk can be shared; and what different sources of finance require in return, whether financial, social or both.
- ♥ funding the transition to disinvestment — how financing arrangements accommodate the period before reduced demand translates into reduced expenditure or released resources, particularly where investment and financial benefit occur in different organisations or at different times.
- ♥ financial flows — how cash moves between investors, government, public bodies, delivery organisations and any intermediary; and how any repayments, returns or released resources flow back through the model.
- ♥ governance and decision-making — who decides what receives investment; on what evidence; who is accountable for the money; what happens when expected outcomes or financial effects are not achieved; and who has authority to change or end the arrangement.
- ♥ institutional architecture — what organisation or combination of organisations can receive, hold, combine, manage and distribute different forms of finance; what fiduciary, legal, regulatory or banking requirements apply; and whether existing institutions can fulfil these functions.

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- 💡 proportionality and adaptability — how financing and governance arrangements can flex according to the scale, complexity, duration and risk of individual propositions, avoiding unnecessary financial infrastructure or transaction costs.
- 💡 The creation of a Prevention Investment Fund / Pot — whether a dedicated mechanism would add value; what functions it would need to perform; what sources of finance it could combine; and whether those functions can be delivered through existing arrangements instead.
 - Any Fund / Pot must remain distinct from the Framework.
 - The Framework determines what is investable and establishes the investment: disinvestment case; the financing architecture enables the money to move.

These four briefs are deliberately more concrete than the Advice Note. Their purpose is not to prescribe the structure through which a Prevention Investment Framework must be developed, but to demonstrate that the next stage can be made practical: bringing the right capabilities together, applying the approach to real lives and real places, modelling what changes in outcomes and demand would mean financially, and determining how viable change could be funded.

The proposition is simply: we could start here.