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27th July 2010.

Dear Chancellor

As part of Action for Children's ongoing constructive engagement with government, in order to share our impact evidence and solutions to help HM Treasury deliver efficiencies to the economy, I am writing to set out Action for Children's input into the Comprehensive Spending Review process. I welcome the opportunities presented to us to engage in the dialogue over the reductions to public expenditure and hope to discuss our evidence when Spending Review proposals are evaluated over summer.

Our key points are summarised here and outlined in more detail in the enclosed paper.

#### **Saving money and transforming lives through early intervention**

- Prioritise funding for those early intervention services which are intensive, targeted and founded on a robust evidence base; provided before problems such as the chronic neglect of children become intractable with the high financial costs that are then incurred.

#### **Building communities and making existing resources go further**

- Protect the investment in Children's Centres so that they provide localised, community shaped early-years resources that can also deliver targeted support to the most disadvantaged people.

#### **Preventing family breakdown**

- Prevent family breakdown, avoidable social problems and the multi layered financial burden of picking up the pieces by shifting the balance of funding from acute to early intervention services that are offered as soon as a problem has been identified.

#### **Designing public services fit for the future**

- In such a tight fiscal environment we must urgently transform commissioning to incentivise long term impact so that less funding does not mean less innovation.
- Develop the payment by impact framework to support those elements which make the greatest difference: stability of service provision and effective professional relationships.

Now more than ever we have a responsibility to be crystal clear that the public money we are entrusted to spend has a demonstrably effective and efficient return on its investment. At Action for Children such accountability is central to our work and we continue to pioneer methods that allow us to show what impact we are actually making. As you look to apply those principles across government I would welcome the opportunity to share our evidence and learning.

I hope you find our contribution helpful in steering the difficult Spending Review decisions ahead. I look forward to further discussions with your department and colleagues across government.

*Yours sincerely  
Clare Tickell*

**Dame Clare Tickell**  
Chief Executive

# Comprehensive Spending Review

Action for Children's approach is underpinned by the principle of protecting the most vulnerable and neglected children, young people and families in our society.

## 1 The rational decision: saving money and transforming lives through early intervention

- 1.1 It is important for the government to demonstrate that it is making rational decisions, not just taking easy choices, when making its cuts to public expenditure over the next three years. This is a once-in-a-generation opportunity to deliver efficiency to the economy by investing in early intervention services, which not only makes economic sense but will transform lives.
- 1.2 This year, 700,000 children will be born. Each one will be full of potential, but right from the start some will struggle. Around 50,000 children born this year will already have begun the journey their parents took to the margins of society. Today there are around one million children who are at risk of intergenerational deprivation and neglect.
- 1.3 For example, almost half the children who demonstrate anti-social behaviour in the early years will continue their behaviour into adulthood, ending up as serial offenders. A serial offender will cost society between £1.1 million and £1.9 million over a lifetime. The cost of this criminal activity is estimated at £84 billion a year in the UK.
- 1.4 There is now overwhelming evidence that early intervention works, so we can get better results for the money we spend. Research carried out for Action for Children by the New Economics Foundation (nef) shows that if we focus on early intervention, the economy could save £486 billion over 20 years. By being smarter in the way we invest, we can release the potential of a new generation. The research included an independent evaluation of three projects run by Action for Children and showed that, taking into account reduced health costs of children, reduced crime and anti-social behaviour, reduction of costs and care, increased tax revenue through employment and decreased benefits, the projects returned between £4 and £9 of social value for every £1 invested in them.
- 1.5 The Government must prioritise funding for those early intervention services which are intensive, targeted and founded on a robust evidence base; provided before problems become intractable.

## 2 Building communities and making existing resources go further

- 2.1 The Government must protect the investment in Sure Start Children's Centres so that they provide the localised, community shaped early-years resource that can also deliver targeted support to the most disadvantaged.
- 2.2 There has been significant investment in Children's Centres over the last 13 years, with centres now an accepted, accessible asset sitting at the heart of our communities. The new government must re-configure this asset to harness the return on the investment already made (in terms of buildings, people, networks and crucial support services). Funding for Sure Start Children's Centres must be protected to ensure that the investment in these local hubs is not wasted.
  - 2.3.1 Action for Children would like to reconfigure these early years' hubs to help deliver the Government's localism agenda and construct the Big Society. Through the co-location of services, such as relationship support, services for children with SEN, legal services, sexual



health clinics, child and family health services and debt advice, efficiencies can be made while also improving focus and impact.

### **Early support for disabled children is essential if they are to flourish in a school setting**

Action for Children's extensive range of services for children with disabilities starts from the early years and extends through to young people's transition into adulthood. We understand that services can be delivered effectively in different ways from a number of bases.

We aim to ensure all our universal services are available to disabled children and their families, promoting opportunities for them to be included from the earliest age. This includes the support delivered through our Sure Start Children's Centres.

Our service in the South West provides co-ordinating provision for children and young people with disabilities, providing workers to accompany the children to the centre where they would not otherwise be able to attend on their own,. In the longer term it develops their confidence, skills and experience – all of which is essential in terms of developing school readiness and enhancing longer term education prospects.

Other pre-school services we provide for children with disabilities include: early years crèches, specialist parenting programmes (such as the NAS EarlyBird and EarlyBird Plus programme for parents of children on the autistic spectrum) and access to speech and language, occupational and physiotherapists.

- 2.4 In order to live up to the promise of delivering to the most vulnerable families, intensive, targeted family support services, with evidence of impact, must be embedded within re-focused Sure Start Children's Centres to truly transform them into community hubs that reach out to the most vulnerable and neglected.
- 2.5 This is not just about efficiencies; this approach will achieve better results by bridging between universal and targeted services, thus addressing the drop off in impact once an intensive intervention has ended. The universal reach is important in terms of avoiding stigma as well as ensuring the earlier identification of emerging problems.

### **Dudley Young Carers' co-location in Stourbridge Children's centre**

The project notes many benefits of being co-located with the Children and Families Centre; the main one being cost. Dudley Young Carers has a very small budget and would really struggle to operate independently. Co-location saves on rental costs, utilities etc, IT etc.

A benefit to the Children's Centre is that they are serving a wider part of the community. The building is used in the evenings and weekends and this has encouraged other parts of the community to use the building e.g. local youths, youth clubs etc. This has enabled the Centre to become a real community 'hub' with lots of groups using the building and the outside play space.

- 2.6 There are clear advantages for both child outcomes and value for money in being able to offer families a variety of services from their local Sure Start Children's Centre. They should be the one-stop shop for children and families, with services tailored and developed in partnership to meet the needs of local families. Through reaching out effectively within local areas, it is possible to take services to families who are unable to access family support services or who need encouragement to do so. To deliver this localism and the flexibility it requires, it will be essential to have sufficient numbers of Children's Centres to have local reach / community profile.

### 3 Preventing family breakdown

- 3.1 In order to build sustainable, inclusive communities which will help to protect the most vulnerable through difficult times, targeted support must be provided to the most vulnerable families at risk of breakdown.
- 3.2 This need is ever more pressing given the twin pressures of the need for savings in the current economic climate, and, the increased demand for children's services because of the better identification of children in need and increasing numbers of children subject to child protection plans and entering the care system.
- 3.3 There is also a growing evidence base of what works, where effective targeted interventions are focused around the pressure points for families and young people. For example, Family Intervention projects, which work with families with multiple and complex problems cost about £8,000 per family. Independent evaluations show that they are successful in 70% of cases, and they reduce levels of physical abuse by 43%. And that's not taking in to account the reduction in neglect and suffering of young children at the hands of parent's who can't cope.

#### Action for Children Phoenix Project

In Merton, Action for Children works with the local authority to prevent children coming in to care. When such children are identified, Action for Children intervenes and works to strengthen the family unit and enable them to see the positives in their lives.

The service uses a solution-focused brief therapy model of work. Support is offered for a period of three months with all interventions regularly reviewed. When the work is completed families are tracked for after six months to see if the progress they made has been maintained.

- 3.4 We know that rates of family breakdown are significantly higher in families with disabled children; 25% of lone families have a disabled child. Disabled children and their families are more likely to live in poverty, and are therefore more likely to be adversely affected by an economic downturn.
- 3.6 As a leading provider of short break services, Action for Children understands how valuable these services are to disabled children and young people and their families. We therefore commissioned research<sup>1</sup> that explored the social and economic value created by short breaks.
- 3.7 The research concludes that significant savings could be made to the State if short breaks were provided to all the families with disabled children who need them. It also provides a clear case for sustainable funding for the effective delivery of short breaks services. Finally, it concludes that failure to support these families in the long term would result in substantial additional costs to the State.

Through independent analysis of data, nef consulting calculated that the State could make an estimated annual saving of **£174 million** if short breaks were effectively delivered to all those eligible to receive them. This saving has been based on the following data:

- decreased cost of long-term residential care from reductions in the number of disabled children placed outside of the family home: **£135 million**
- decreased cost to health services from reduction in parents', families' and carers' stress: **£18 million**

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<sup>1</sup> Research undertaken by nef consulting Part of nef (new economics foundation).

## **4 Designing public services fit for the future**

- 4.1 In such a tight fiscal environment we must urgently transform commissioning to incentivise long term impact so that less funding does not mean less innovation.
- 4.2 Experienced at developing and using effective tools that evaluate the services we provide, the voluntary sector has played a significant part in moving from measuring inputs (the activities and programmes offered) and outputs (how many people participated) to analysing impact and outcomes for individual families.
- 4.4 It is clear that any system in which funding is directly linked to the results delivered will have to be highly sophisticated and transparent to function effectively. Firstly, there will be many 'results' that are difficult to measure in the systematic way that 'payment by results' contracts might require. Impacts such as reducing offending behaviour can only meaningfully be measurable after a long period of time. Unless a sophisticated system is adopted, which looks at reach, medium indicators of success and longer term measures, the reform will cause problems as most voluntary sector organisations are only issued with contracts on a short-term basis.
- 4.5 The commissioning process must incorporate some element of Social Return on Investment. We want to see the payment by impact framework developed to support those elements which make the greatest difference. A stable professional relationship based on trust is what makes the difference in delivering successful public services. To help those most in need, intensive, services need to provide personalised family support based on sustained relationships with highly trusted, skilled workers.
- 4.6 At Action for Children we have developed an holistic approach towards measuring impact; bringing together quantitative data where that data was genuinely associated with improved outcomes (e.g. numbers of young people in employment, education or training or numbers sustaining employment two years or more further to intervention) with more qualitative information drawn from internal and independent evaluations and research into our service provision and with feedback from service users, staff and partners.
- 4.7 Common strands identified as having the greatest impact were:
- Use of relationship over time, including outreach, to work successfully with the most vulnerable and excluded
  - Commitment to both intensive and long-term support where necessary
  - Flexibility to provide services to meet need through intensive contacts.
  - Sound basis in safeguarding principles and procedures
  - Commitment to ensuring the achievement of qualitative outcomes over and above success in meeting timescales and other process measures
  - Stable staffing within services albeit contracts are often too short-term to guarantee services.
- 4.8 This information was then assembled in a comprehensive Impact Report for the organisation and this will now be an annual process. We believe that our experience is worthy of consideration in reviewing performance systems that concentrate on impact and not on the efficiency of processes which have served to drive social work attention away from meeting needs of families to achieving compliance with unhelpful targets.

## **5 The nations**

In recognition of the block grant arrangement across the four nations, Action for Children's proposals remain constant across the UK. Action for Children's priority is to ensure the allocation of sufficient funds to protect the most vulnerable and neglected children, young people and families in our nations.