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Public Policy briefing

Backing the future: why investing in children is good for us all

The Happiness Counts project – so named by the young people involved with the project – has now concluded with the *Backing the future* report. The project is a partnership between Action for Children, one of the UK's leading charities and providers of services to vulnerable children, young people and families and nef (the new economics foundation), one of the UK's leading independent think-and-do-tanks.

Backing the future provides the economic and social case for transforming the way we invest in the future of society through our children. We found that governments are failing to make the best use of public resources to improve the key areas that affect children's lives, such as poverty and inequality, together with the psychological and social dimensions of their wellbeing.

As a consequence of this failure the UK spends far more money than its European neighbours remedying preventable social problems such as crime, mental ill health, family breakdown, drug abuse and obesity.

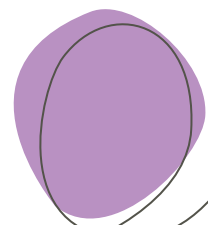
There has been a long standing consensus among charities, partners in local authorities and national governments across the UK that prevention is both intuitively and demonstrably better than cure. Yet a significant shift in approach has

not occurred, and has been hampered by barriers including a lack of economic modelling on what the transition to a preventative system of services would cost, and then ultimately save, the public purse, and an understanding of how to commission and provide services specifically to promote wellbeing.

The *Backing the future* report sets out the need for a comprehensive investment programme in preventative services for children and young people that would both save money on dealing with social problems, and deliver wider benefits to society.

To achieve this, we are calling on governments to:

- ▶ **Invest in targeted interventions** that we know work for our most vulnerable children to improve outcomes and short-circuit the parent-to-child cycle of deprivation.
- ▶ **Invest in high-quality universal childcare services and paid parental leave** to build the foundations for a better and fairer society over the medium and longer term.
- ▶ **Re-shape the way targeted and universal services work** so that they can build on the assets and strengths of children, young people and their families as well as addressing their needs.



Financial findings across the UK

- ▶ **An investment of £191 billion in targeted interventions will deliver a net return of £269 billion.** This investment, over a 10-year period, should be seen as a temporary measure to improve the wellbeing and opportunity of our most vulnerable children.
- ▶ **An investment of £428 billion in universal childcare and paid parental leave provision will deliver a net return of £612 billion over a 20-year period.** A focus on the early years is an essential part of the transition to create the enabling conditions for increased child wellbeing for all and to consolidate the gains of the targeted investment.
- ▶ If the Government invests in targeted interventions, universal childcare and paid parental leave, **a saving of £486 billion would be made over 20 years** – compared with the **£4 trillion** price tag of continuing with business as usual and meeting the costs of addressing existing problems.

Our findings also reveal the social value of early intervention services:

- ▶ **For every £1 invested annually in Action for Children's targeted services designed to catch problems early and prevent problems from reoccurring, society benefits by between £7.60 and £9.20.** This social value can be generated, for example, through improved family relationships.

- ▶ **For every £1 invested in an Action for Children children's centre, a forecast social return to society of £4.60 is expected to be generated.** Benefits are forecast to accrue to a range of stakeholders including children, parents, community, and the state.

Next steps

Backing the future continues Action for Children's drive to support a change in emphasis from spending on acute services to prioritising early intervention. The impact of deprivation can scar families' lives over generations and result in high levels of child neglect. Yet as our research demonstrates, judicious targeted intervention is cost-effective and helps release families from the trap of cyclical deprivation.

There needs to be a cross-party commitment to invest in essential services to build the foundations of a society that is better and fairer for our families and communities, and where children can live happy and fulfilled lives.

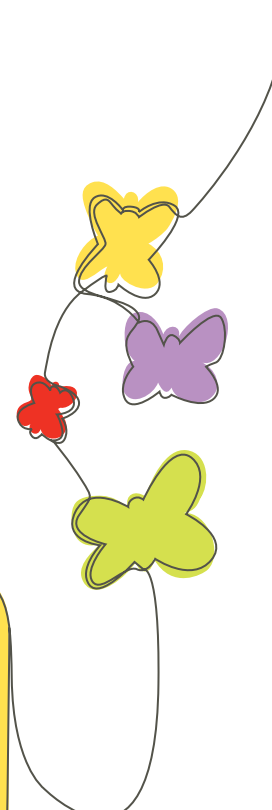
Action for Children works with the children and young people who most need support to achieve their full potential. As an independent charity, we campaign for changes that will end injustice, deprivation and inequality. Our campaigns aim to make a difference to all children, young people and families across the UK as well as those that we work with directly.

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Action for Children is committed to helping the most vulnerable children and young people in the UK break through injustice, deprivation and inequality, so they can achieve their full potential.



The full report can be downloaded from www.actionforchildren.org.uk/backingthefuture For more information please contact the Action for Children Public Affairs team on 020 7704 7132 or at publicaffairs@actionforchildren.org.uk