



The Graham Allen Review, Part 2, Graham Allen Early Intervention Review : Smart Investment, Massive Savings

Following publication in January 2011 of the first part of Graham Allen's independent review of early intervention, a second part has now been published on 4 July 2011 focusing on how to finance an expansion of early intervention through better use of public resources and through the use of alternative routes to attract additional investment.

His first report argued that costly and damaging social problems can be avoided by investing in evidence based early intervention programmes. The second report sets out how those programmes can be paid for within existing resources and by attracting new non government money. It recommends rebalancing government spending towards early intervention, an early intervention fund that should aim to raise around £200m of investment and greater coordination of early intervention and social investment activities across government.

<http://www.cabinetoffice.gov.uk/sites/default/files/resources/earlyintervention-smartinvestment.pdf>

The key themes in the report are:

(a) Creating a culture change

Allen calls for a culture change, led by government, from '*expensive and largely ineffective late intervention, to highly effective and inexpensive early intervention*'. Allen cites other current reviews (child protection, early years, child poverty and life chances, health inequalities) which have reinforced the case for intervening early and improving life chances.

Allen recommends that:

- The government considers making early intervention the theme of the next Comprehensive Spending Review, with an incremental migration of funding of 1% a year from late intervention budgets to early intervention.

(b) Leadership and coordination to enable investment in early intervention

Allen identifies that work taking place on social intervention and on social finance is not co-ordinated or effectively shared, and that programmes do not reach all those who need them. He cites the collection and collation of high quality data as being a priority, along with the need for further data on the degree to which some programmes reliably predict the desired improvements in young adulthood.

Allen recommends that the forthcoming Families in the Foundation Years

statement must include regular assessments of social and emotional development for 0-5s to enable all children to attain school readiness, which should be an intended outcome of school readiness. An Early Intervention Task and Finish Group, reporting to the Social Justice Cabinet Committee, should coordinate the currently disparate activity on early intervention and social investment and communicate lessons to government departments.

(c) A locally driven agenda

This section of the reports highlights the need for local leaders working with their partners to influence new government policy and transform local services. Allen considers the potential for the proposed new Health and Wellbeing Boards to provide local leadership in promoting early intervention; the benefits that could arise from a higher level of outcome-based contracting (payment by results, with an emphasis on outcomes being achieved); and the benefits of bringing together the work and learning from the Community Budget pilots and the Early Intervention Places.

(d) Building an Early Intervention Foundation

Following on from the recommendation in the first part of his review to establish an Early Intervention Foundation, Allen recommends that:

- A £20 million endowment fund is created with a challenge from the Prime Minister to external funders from the private, charitable and local government sectors to create an Early Intervention Foundation, with government support through co-funding;
- Beginning with the 27 existing Early Intervention Places, local areas should drive the work of the Foundation and be strongly represented on its Board.

(e) External finance through outcome-based early intervention contracts

This section considers the benefits (and necessity) of using external finance and the issues that arise, being mindful of learning from previous public/private initiatives such as PFIs. In particular, it looks at five key issues: measurable outcomes; well-defined target populations; causal links and perverse incentives; establishing the right price for outcomes; and cashability of savings and affordability. Allen considers the use of Social Impact Bonds, the potential of Community Budgets and how central government can account for payments made through outcome-based contracts, whilst ensuring the stability that will be necessary at a local level.

Allen recommends a more creative approach to finding additional non-government money through the use of outcome-based contracts. He recommends that the Social Justice Committee commissions the Early Intervention Task and Finish Group to work with the Early Intervention Foundation to assess the economic and financial value of outcomes and the extent to which cashable savings can be made. He also recommends that central and local government agree to make outcome-based payments, where savings accrue, through accounting methods that will need to be developed for the purpose.

(f) Early Intervention Funds and Bonds

- Allen recommends that the government enables the establishment of an Early Intervention Fund in close co-operation with the Big Society Bank. This initial fund should look to raise around £200 million (though £27 million would enable the existing Early Intervention Places to begin with pilots over the current Spending Review period).

(g) Creating the social investment market and tax incentives

Allan acknowledges that it will not be possible to create an Early Intervention Fund unless external investors are attracted to investments in early intervention. He considers the potential for early intervention to form part of the growing social investment market, including: the scale of funds sought; types of investor to be attracted; the level of risk attached to outcome payments; and the tax incentives that might incentivise investment.

Impact

This report clearly will have an impact in the way services are run and commissioned.

The benefit of early intervention is clear; the pictures used on the front of the report come from two Manchester children, one that has experienced a healthy start in life the other that has experienced severe neglect.

Manchester are piloting work around earlier intervention in complex families and the Big Lottery Improving futures fund is looking at innovative early interventions for complex families.

Following this report and other work around early intervention the Government has set out its vision for the services that should be on offer for parents, children and families in the foundation years. Supporting Families in the Foundation Years describes the system needed to make the Government's vision a reality and explains the role of commissioners, leaders and practitioners across the range of services for families in these years.

The document summarises the Government's vision for the foundation years and explains why it is important to focus on child development and how parents and families should be placed at the heart of services. It also sets out the importance of intervening early and the role of different services, working together to ensure that children, their mothers and fathers and other key areas receive early help where needed. It also explains how we will ensure there are skilled professionals and strong leadership across the sector and describes how the Government is establishing a new relationship with the sector which frees professionals to do what they believe is best.

Supporting Families in the Foundation Years also provides the Government's response to the following reviews:

- The Foundation Years: Preventing poor children becoming poor adults. The report of the independent review on poverty and life chances by the Rt Hon Frank Field MP;
- Early intervention: the next steps - an independent report to Her Majesty's Government and Early Intervention: Smart Investment, Massive Savings - the second independent report to Her Majesty's

- Government by Graham Allen MP; and
- The Early Years: Foundations for Life, Health and Learning. An independent report on the Early Years Foundation Stage to Her Majesty's Government by Dame Clare Tickell.

This report recommends:

- ensure a focus on child development;
- place parents and families at the heart of foundation years services;
- promote effective and evidence-based early intervention;
- work to improve the quality of the workforce; and
- establish a new relationship between central government, commissioners and providers.

Closely linked with the statement is a **Families in Foundation Years Evidence Pack** which explores the key factors in promoting children's health and development during the foundation years, and promotes the critical importance of understanding child development, strong early attachment and quality early education and childcare.

This evidence pack underpins the Government's vision set out in the overall Families in the Foundation Years policy statement. In the hope that it will be useful for local commissioners of services for children and families in the foundation years.

If you would like to know more information about how this report may influence the children and families agenda please contact Nicola Shanahan at MACC on nicola@macc.org.uk