



## Background

This report provides evidence for and analysis of the case for investment in early years interventions to address health inequalities in London. The evidence clearly shows that well designed and implemented early years programmes can have significant benefits in terms of life-long health, educational attainment, social, emotional and economic wellbeing and reduced involvement in crime that far outweigh their costs.

This paper sets out the findings from a significant review of high quality evidence on early years interventions to identify 'what works' and 'what doesn't', provide international and national comparisons and translate data and potential savings into a UK and London context. It has been developed for, among others, service planners and commissioners in children's services, health, schools and other agencies.

Whilst London agencies will want to commission and/or deliver an appropriate portfolio of services based on local demography and needs analysis, the findings of this analysis can be used to confidently guide investment decisions to deliver improved outcomes and cashable benefits to London.

### Definition:

- Early years refers to programmes and services that intervene and support early in a child's life (aged between 0 and 5 years of age, including prenatal care).
- Early years is a component of early interventions, which also encompasses intervention early in a child's life, early in the development of a potential problem and early, once a problem has been identified.

## Current and future needs in London

London experiences significant inequalities in health and other life chances. This is, due to wide variations in the socio-economic circumstances of individuals and their families, lifestyle behaviours and access to effective healthcare and other support services.

Children raised in disadvantaged environments are, on average, less likely to succeed in school, in their future economic and social life and are much less likely to grow into healthy adults.

The case for early years investment is even greater in London as the child population (aged 0 to 4) is projected to increase by 11.6 per cent between 2008 and 2033, more than any other English region.

As well as highlighting a greater need for resources in London compared to the rest of the country, this supports, too, the rationale for intervening early where needed in order to improve the life chances of these children and protect the future economic growth of London.

### London child health inequalities:

- London experiences high levels of income polarisation, worklessness and child poverty that contribute to inequalities in the health of Londoners.
- The case for improving health outcomes across the social gradient\* is highlighted by data showing that a greater proportion of people in London live in deprived areas and the health of children is generally worse compared to the rest of England (NHS Health Profile 2009).
- The average life expectancy at birth varies significantly between areas in London, and infant mortality rates in deprived boroughs are more than double the rates experienced in more affluent areas.

*\* The social gradient of health shows that the lower a person's socio-economic position, the worse their health is likely to be.*

### A clear evidence base

The early years of life are a critical time for a child's development and early childhood is increasingly recognised as the most crucial period of lifespan development. It is during this period that the foundations are laid for every individual's physical and mental capabilities.

Children at this age are particularly vulnerable to both negative and positive experiences, which can strongly influence their future outcomes across a range of areas including health, education and potential involvement in crime.

These cumulative effects mean that the early years provide a considerable opportunity to nurture and develop children in a way that will have positive impacts for the rest of their lives. Failure to address poor development in the early years will be increasingly difficult and costly to remedy later in life.

These poor outcomes are not inevitable. There is increasingly strong evidence that an effective way to address health inequalities is through effective early years interventions.

Interventions do not necessarily have to be health service specific in order to have a positive impact on health inequalities. The links between health inequalities and wider social inequalities are complex and both their causes and solutions are connected. Programmes that improve learning abilities, behaviour and parental relationships early in childhood can help to break the cycle of poverty and inequality and therefore reduce health inequalities. Similarly, ensuring families benefit from timely and effective health care in pregnancy and infancy will have a positive impact on the child's future attainment and wellbeing.

### Making the case for investing in early years

Reviews of child and family interventions that incorporate similar cost-benefit evaluations show the potential for effective early years interventions to give returns to society that are far larger than the resources invested. Such rates are high when placed next to other spending by governments made in the name of economic development, such as subsidies and preferential tax treatment for private businesses.

Another way of thinking about the relative merits of early versus later interventions is to consider the cost to society of failing to prevent poor health outcomes. For example, a review conducted in 2007 of various economic evaluations of mental illness – such as emotional and behavioural disturbances, or antisocial behaviour – during childhood and adolescence found average costs to UK society ranging from €13,000 to €65,000 annually per child. Similarly, in a UK-based study, Scott et al. (2001) contrasted their estimated £70,000 per head direct costs to the public of children with severe conduct disorders, with a £600 per child cost of parent training programmes.

The cost of teenage pregnancy is estimated at approximately £231 million per annum and the cost of crime against individuals and households estimated at £36.2 billion in 2003/04. Whilst it is not reasonable to assume that all of these costs could be negated through investment in early years interventions, this does show the scale of remedial spend incurred in some areas. If further investment was directed towards the early years and 'getting it right first time' then some of the remedial costs later in life (for example, in relation to truancy, teenage pregnancy, anti-social behaviour or crime) could be alleviated.

**The rationale for an early years focus:**

- An individual's experience in early childhood has a significant and long-lasting impact on their future health and wellbeing.
- Early years interventions can be extremely cost-effective, generate long lasting, cumulative benefits and at the same time reduce the need for remedial spending later in life.
- Effective early years interventions will ensure that children are more responsive to follow-on interventions as they grow older.

**Under-investment in the early years**

There is arguably an established trend of under-investment in early years interventions in London and the UK when compared to other areas of expenditure.

In the main, public expenditure is directed towards addressing the consequences of poor development early in life, rather than on preventative programmes in the early years. This is unlikely to be the most efficient use of public sector resources, when the life-long returns to early years interventions are so high.

One of the main barriers to an effective level of early years spending is the fact that benefits accrue to many different stakeholders over a long time period. As a result no single agency (the borough, NHS, police or others) has the incentive or available funding to invest the upfront costs of early years interventions, when they will only receive part of the benefit in the short-term. Approaches such as Total Place, the new Early Intervention Grant and Community Budgets should make it easier to pool investment and work towards early intervention as a common goal.

**Cost-benefit analysis to identify effective programmes**

The evidence base for investment in young children is clear, but it is important that the investment is directed towards initiatives that are effective in providing positive outcomes.

Evaluation evidence in the main report shows that the returns to early years interventions can vary considerably. Robust evaluations are required to determine the programmes that are cost-effective (as well as those that are not) and ensure that programmes provide the best value for money.

The most robust evidence of costs and benefits of early years programmes is from the United States (US). This report considers the US evidence and makes some adjustments to make the US results more applicable to a London/UK context (these assumptions are set out in the main report and Appendix D).

A relative ranking between programmes is provided which might be useful in considering which programmes are likely to be most effective and provide best value in London. To ensure that undue weight is not placed on the US (or UK) analysis in isolation, recommendations on programmes are made where both the US and UK analysis suggest a significant, positive cost benefit from the intervention.

It is anticipated that further work by Dartington Social Research Unit with a number of English cities (including London) in 2011 will provide a sustainable and robust, UK-specific cost benefit model to enable the application of tried and tested US programmes to a UK context.

## Recommendations for early years interventions in London

### Key findings:

- Results of the analysis based on US studies show that some home visiting programmes and pre-school programmes are particularly effective, especially for disadvantaged groups.
- There are strong examples of effective home-visiting and pre-school programmes that address or negate early causes of inequalities and lead to improved child outcomes, which would likely benefit London if implemented more widely. These include:

**Nurse Family Partnership** (being established as Family Nurse Partnership in UK) provides intensive support during a woman's pregnancy and the first two years after birth. It aims to promote the child's development and develop the parent's parenting skills. The programme is designed to serve low income, 'at-risk', pregnant women bearing their first child.

**Early childhood education** for low-income 3 and 4 year olds covers a range of pre-school initiatives using various educational approaches to increase success. The emphasis on early childhood education is consistent with the existing and continuing universal entitlement of 15 hours free early education per week for all 3 and 4 year olds in the UK.

- Many early years interventions provide high returns on investment, particularly if they are targeted at disadvantaged groups.
- Yet these programmes alone will not completely address health inequalities in London and need to be closely linked with wider action to secure families' economic wellbeing more generally.
- All programmes commissioned should be part of a wider system that enables early identification of need and effective engagement with local families from pregnancy onwards.
- However, not all early years interventions are beneficial – those that lack intensity, are non-targeted and not delivered with high quality staff are ineffective. Interventions with these characteristics should therefore be avoided.
- In order to understand the costs and benefits of a programme, part of the budget for significant, early interventions should be allocated to evaluating performance and understanding which aspects are effective (ie large programmes with a budget over a certain limit such as £1m or with the potential to be rolled out more widely).

