

# Centres of Excellence?



The role of Children's Centres  
in early intervention

Harriet Waldegrave



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## About the Author

**Harriet Waldegrave** began working at Policy Exchange in July 2011 as a research intern, before joining the Education team as a Research Fellow in 2012 to focus on early years' education and childcare policy. Prior to joining Policy Exchange, Harriet worked at a Citizen's Advice Bureau and the educational charity First Story. She also has experience volunteering at a Children's Centre. Harriet read Classics at St. Hilda's College, Oxford.

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# Contents

	Acknowledgements	4
	Executive Summary	5
1	The Case for Early Intervention	10
2	Development of Sure Start Children's Centres	15
3	Funding of Children's Centres	20
4	Impact and Quality	31
5	Measuring Performance and Payment by Results	36
6	Transparency of Funding	44
7	Quality of Practice	47
	Conclusion	52

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## Executive Summary

It is now almost universally accepted that what happens in childhood – right from the first few months – can have a significant and lasting impact on someone’s chances of success in adulthood. Children growing up in home environments where they are exposed to negative stimuli (risk factors, in the academic literature) are much more likely to demonstrate poor outcomes in adulthood, such as propensity to commit crime, to abuse drugs or alcohol, or to become and remain unemployed. In particular, children who grow up in poverty are much more likely to experience these risk factors, so becoming impoverished adults and continuing the cycle. This is deeply worrying and harmful on a moral, social, and economic basis and successive governments have tried many ways to address this. Most recently, both the Frank Field and Graham Allen reviews have examined this issue, and the Early Intervention Foundation (EIF) has been established to provide an ongoing repository of best practice.

“In tightened financial times, Local Authorities need to make better use of children’s centres – or indeed, other services – to close the gap between rich and poor children”

But early intervention is not a new concept and there has been a mechanism for its delivery established in the UK for many years, namely Sure Start Children’s Centres. They are popular with their local community, well-embedded and numerous, and so should, in theory, be an ideal means for delivering services that can transform children’s lives. However, in this report, we question whether they are being used to their full potential. Whilst not agreeing with some who argue that they are an unnecessary addition to universal service provision, and that they could be abolished and such services delivered in other settings, this report does argue that in tightened financial times, Local Authorities (LAs) need to make better use of them – or indeed, other services – to close the gap between rich and poor children.

### History, Funding and Effectiveness

The report shows how children’s centres have steadily grown in number and reach since their original purpose as highly targeted forms of intervention in 1997. Since 2010 there has been a pressure from government for them to re-focus their attention. Our research shows that under the new model of funding, expenditure on Children’s Centres has fallen since 2010 by an estimated 28%. However, despite strong predictions that such spending cuts would lead to a widespread closure of centres, our research finds there is still strong coverage, with less than 1% of them having closed since 2010, and an estimated 67% of the population still living within one mile of a centre. Many LAs and individual centres are working hard to make savings through efficient practice and cuts that are not affecting the frontline.

However, given the continued spending pressures on children's centres, and the need to secure best value for money in all areas of spending, the report argues centres should return to their original purpose. The universal, 'open door' nature of the offer should be maintained, but funding should be increasingly targeted at more deprived areas. Original research for this report finds that all centres, regardless of the deprivation of the children they serve, seem to be having their budgets cut at similar rates. It is still the case that 14% of centres are located in the richest 30% of the country, where only 5% of the most deprived children live. Deprived children require intensive support and this kind of support is expensive. Therefore it would be more effective for more money to be spent in deprived areas, with a reduced service in wealthier areas, and more reliance on universal services, such as health visitors, to identify any additional needs.

The report also argues that while the National Evaluation of Sure Start has found some positive effects on families at a national level, government has a duty to invest in the interventions it believes can make the most difference, which may include moving funding out of children's centres and into other forms of service delivery. The ringfencing of a large proportion of early years funding (over £500m from this September to provide free childcare for the most deprived 20% of 2 year olds, rising to £760m from 2014 to cover 40% of 2 year olds) will undoubtedly further challenge individual centres and LAs. However, the government is right that the evidence base for high quality childcare is very strong. This report argues that overall, deprived children will more likely benefit more from accessing high quality childcare, than through general provision of services in a children's centre.

However, this is only a sensible move if the quality of childcare that deprived two year olds will be receiving is high. Given the current paucity of sufficiently high quality spaces, particularly in more deprived areas (as set out in our companion report, *Quality Childcare*), a key recommendation of this report is that a time-limited pot of seed funding should be provided for LAs, Children's Centres and providers to bid for in order to raise the quality of childcare in their area, if they can demonstrate a well evidenced programme for improvement, a demonstrable track record in raising quality, and a clear plan for accountability. Funding for this could be found by introducing a lower income cap on the proposed tax-free childcare scheme, where this report's calculations are that savings of up to £238million could be made when the scheme is fully operational. While acknowledging that the intentions behind the tax-free childcare scheme and the childcare offer for two year olds are quite different (with the former a move to improve maternal employment and the latter an early intervention for deprived children) this report argues that across childcare policy a move away from benefits for the better off, to support for high quality provision for deprived children is the right thing to do.

### Use of Data for Judging Effectiveness and Value for Money

To provide a comprehensive assessment of the efficacy not just of Children's Centres at a national level, but on an individual basis, what is needed is good readily available performance data that justifies commissioning decisions and ongoing public provision. This report strongly supports the principle of Payment by Results (PbR), but argues caution as to its implementation at the present

time as there is a risk that an ill-designed scheme might undermine what is at present a good degree of willingness in the sector to consider such an approach. In order to introduce a well-functioning scheme, the report argues that the government should focus in the first instance on introducing a standardised set of rigorously recorded and tracked input measures that all centres will report on. Such measures should be able to be used as proxies for outcomes, but will also, importantly, allow for a like for like comparison of each centre.

These standardised metrics should also be reflected in the Ofsted inspection guidance, so that the burden on centres that exists at present to effectively design and implement their own bespoke measurement systems can be removed. Such data collected should be available, as the National Pupil Database is, for researchers at a national or more local level to make use of. This will allow ongoing monitoring of whether the input measures recorded are appropriate and, in time, a move away from input based measures, towards a more outcome based series of measures that could support the roll out of a payment by results system.

The report also argues that in order to ensure that LAs are targeting their diminishing resources effectively, there is a need for much greater transparency on finances at an individual centre than is currently available. There is a real lack of granular data (unlike in schools) on where exactly this money is going, and on which Children's Centres. This information is needed to inform people as to whether LAs are making sensible funding decisions, as well as for Children's Centres and providers themselves when they try to assess their own expenditure and secure better value for money. In addition, at the LA level, there should be greater clarity and transparency over the expenditure of the early intervention funding. The report argued that two areas where government may wish to mandate and publicise data are the proportion of total LA spend on Children's Centres that is spent with providers servicing the most deprived, and the proportion of total spend on Children's Centres that are rated Good or Outstanding.

## Improving Services

As well as systemic changes to the way in which centres are commissioned and assessed, this report argues for a series of immediate steps to improve the functioning of Children's Centres. The most important of these refers to staff, particularly leaders, and the report recommends greater support and training for professionals taking on such complicated and important roles, building on successful models in the schools sector such as Future Leaders and Teaching Leaders. But it is also vital that leaders have advisory boards that they can rely on for guidance, particularly in those areas where they are not expert. This report recommends that all Children's Centre boards be encouraged to have representatives from health, education, social work, and JobCentre Plus, as well as ensuring that chairs are eligible for the National College's training scheme for governors.

There is also a need to help staff in centres make the right decisions about what kind of interventions and programmes they should run, and in particular how to deliver (with fidelity) specific evidence-based interventions. The report argues for a role for the EIF in providing information on which programmes work, and in providing guidance to Ofsted regarding the appropriate implementation of these programmes, and Ofsted should inspect centres accordingly.

Finally, the report finds that there is a major problem of data sharing that Children's Centres encounter, which in itself is part of the broader issue of working effectively with other agencies. Developing good relationships through joint training, or indeed representation on advisory boards, will be one of the ways to resolve this problem. Health data is often cited as the most essential, and the report argues that using existing data sharing mechanisms such as the 'Tell Us Once' service is clearly welcome.

This report finds that early intervention to address the risks children face is essential if Britain is to close the gap between the richest and poorest in society; while early education can go a long way, so long as it is high quality, intervening with families and ensuring parents are supported to help their children develop well, is also vital. Given their existing presence and reach Children's Centres can be well placed to achieve this early intervention work, but to ensure their future effectiveness it is critical that they return to their original purpose of being targeted in deprived areas, rather than supporting more affluent parents. And there needs to be far more clarity over how and where funding is spent, what it is spent on, and how effective that is – which will benefit Local Authority commissioners, local families, and centres themselves, to improve the quality of their offering so they will be more likely to have the kind of lasting positive impact needed.

“Early intervention to address the risks children face is essential if Britain is to close the gap between the richest and poorest in society”

### Recommendations

- Local Authorities should seek to return Children's Centres to their original purpose and target their expenditure on more deprived areas – as well as considering other ways in which they spend their money to achieve similar objectives. In order to hold them to account for this targeting of resources increased financial transparency of their own Children's Centre spending will be required.
- While this report supports the decision to ringfence money for two year old education, more work is needed to ensure there are sufficient places of high quality. Government should therefore consult on lowering the cap on parental income eligibility for tax-free childcare, and reinvest the money in a time limited pot of seed funding that LAs, early years providers, or individual Children's Centres could bid for with a specific evidence based proposal in order to raise the quality of childcare in deprived areas.
- Before any move towards Payment by Results (PbR) can be considered, the Government should commit to ensuring the quality of baseline data. All Children's Centres across the country should have to record, in a rigorous fashion, an agreed set of national input measures, which have been shown to be likely indicators of good outcomes for children. This data should be made publicly available for researchers, as it is with the National Pupil Database, to support a move in the longer term towards outcome based measures.
- Government should make a renewed commitment to the collection and publication of financial data (so far as is possible without breaching commercial confidentiality with regards to service lines) so that the individual

Children's Centre spend is available to enable examination of whether they are delivering value for money. In addition, at the LA level, two areas where government may wish to mandate and publicise data are the proportion of total LA spend on Children's Centres that is spent with providers servicing the most deprived, and the proportion of total spend on Children's Centres that are rated Good or Outstanding.

- The National College should develop leadership programmes for future Children's Centre managers, based on successful models employed in the school sector such as Teaching Leaders. Children's Centre advisory boards should be encouraged to have a representative from health, social work, education and JobCentre Plus. Members should be eligible for the Chairs of Governors' Leadership Development Programme.
- The EIF should produce guidance on the most thoroughly proven interventions, and work with Ofsted to help inspectors understand how practitioners should be implementing these programmes, and what to look for to ensure they are doing so with fidelity.
- Where possible, joint training for professionals from education, social work and Children's Centres should be offered, in order to develop the relationships of individuals, but also to reassure professionals from different backgrounds about the quality of their colleagues in different areas.
- Every LA should have the 'Tell Us Once' option and use it to inform Children's Centres of new births.

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# 1

## The Case for Early Intervention

There has been a growing consensus around the importance of early intervention to help address risks factors in children's development, caused by damaging environments in the first few years of a child's life in particular, over the last two decades. Research has shown that poor outcomes later in life, such as substance abuse, criminal activity and unemployment, can be strongly predicted from a very early age, and a significant body of evidence has developed to explain why this is, and what can be done to try and improve children's chances of success.<sup>1</sup> The rationale for addressing this issue is compelling; not only for the sake of the individual families and children concerned, but the potential savings to government if children grow up to do well in school and move into employment, rather than struggle to cope and require help from the state, are enormous.

Research has further shown that there is a strong correlation between these risk factors and children growing up in poverty. As well as the moral and economic arguments, therefore, any government interested in social mobility needs to take an interest in the ways in which children and young people do and do not grow and develop, and what can be done to address this.

### The impact on future life chances of a risky childhood is significant

The most direct way in which poor development affects life chances is through achievement or otherwise in education, which in turn is strongly predictive of poor outcomes in later life. Data from the Labour Force Survey shows that around a quarter of all people aged 25 to 29 with no GCSEs at grade C or above wanted, but lacked, paid work in 2010 compared to one in fifteen of those with degrees or equivalent<sup>2</sup> Other studies have shown that poorer academic achievement is linked to increased propensity to commit crime and poorer adult health<sup>3, 4</sup> As well as cognitive skills, research has shown that the impact of poor non-cognitive skills, sometimes known as social and emotional skills, is also important to later life chances. This is not only because of their direct link to cognitive gains, but also because in and of themselves they are predictors of future success, in the labour market and elsewhere. The Effective Provision of Preschool Education (EPPE) study found that children's ability to self-regulate (to control their emotions, focus and bodily functions) is strongly associated with higher attainment.<sup>5</sup> One study found that children with severe behavioural problems were more than twice

1 Blanden J, *Bucking the trend: What enables those who are disadvantaged in childhood to succeed later in life?*, DWP, 2006

2 The Poverty Site, data from Labour Force Survey, ONS, 2010

3 Sabates R, *Educational Attainment and Juvenile Crime: Area-Level Evidence Using Three Cohorts of Young People*, British Journal of Criminology, 2008

4 Kuh D and Wadsworth M, *Physical Health Status at 36 years in a British national birth cohort*, Social Science and Medicine, 1993

5 Sammons P et al, *Effective Pre-school and Primary Education 3-11 Project: Influences on Children's Development and Progress in Key Stage 2: Social/behavioural outcomes in Year 5*, DCSF/Institute of Education, University of London, 2007

as likely to leave school without a recognised educational qualification compared to those with no behavioural problems, even after controlling for family socio-economic background and other child characteristics.<sup>6</sup> The long-term effects of good early self-regulation include lower rates of truancy, teenage pregnancy and criminal activity rates, as well as staying on at school post-16<sup>7</sup>.

Nobel Laureate James Heckman has worked extensively in this area and demonstrated in a piece of research on those who drop out from high school in the US, that on cognitive measures they were as able as those who graduated from high school, yet they go on to have far lower earnings than them. This reflects the importance of non-cognitive skills; while these people do well cognitively, they do not have the same levels of persistence and reliability as those who stay on in school, and these kinds of skills are highly valued by employers.<sup>8</sup> The CBI reports that, along with literacy, numeracy and problem solving skills, employers value the ability to self-regulate and work as a team.<sup>9</sup>

### Risk factors can be identified early

Early performance is a strong predictor for later outcomes. One study shows that 63% of the gap between children's test scores at age eleven can be attributed to their attainment at age seven.<sup>10</sup> Working backwards further, it is possible to see that children's level of development at 22 months and 42 months are strong predictors of their performance at ten years. Of those children grouped in the lowest quartile at 22 months, 40% were still there at 42 months, and only 13.7% had entered the top quartile. For children in the lowest quartile at 42 months, 45% were in the bottom quartile at ten years old, and only 10% had moved into the top quartile.<sup>11, 12</sup> This shows us that while early indicators are not perfect predictors of later performance, children's scores from a very young age are strongly linked to later outcomes. Perhaps most strikingly of all, we see that children in the bottom development quartile at 42 months are 3 times less likely to have A-level or higher qualifications at age 26, and almost 4 times more likely to have no (or miscellaneous) qualifications.<sup>13</sup> To put this in terms of pure monetary gains, a study from the US has shown that

'A one percentile increase in end-of-kindergarten (KG) test scores is associated with a \$132 increase in wage earnings at age 27 in the raw data, and a \$94 increase after controlling for parental characteristics.'<sup>14</sup>

### And worse outcomes are strongly correlated with poverty

The research is overwhelming that, particularly in the UK, poverty is a significant determinant of life chances. Poverty affects children's development in very significant ways, from a very early age, both in terms of their cognitive ability (reasoning, remembering, judging, problem solving) and their non-cognitive ability (all those skills associated with emotional regulation, behaviour and socialising with others).

One of the most significant effects of poverty is on academic achievement. One easily observable, and very striking, measure on which poor children achieve less highly than their more affluent peers is that of GCSE attainment. Of children who

6 Colman I, *Outcomes of conduct problems in adolescence: 40 year follow-up of national cohort*, BMJ, 2009

7 Marmot M, *An Equal Start*, UCL Institute of Health Equity, 2013

8 Heckman J et al, *The GED*, NBER, 2010

9 CBI, *Boosting Employability Skills*, CBI website, 2013

10 Goodman A and Gregg P, *Poorer children's educational attainment: how important are attitudes and behaviour?*, Joseph Rowntree Foundation, 2010

11 Feinstein L, *How early can we predict future educational achievement?*, CentrePiece, 2003

12 Ibid

13 Ibid

14 Raj C et al, *How Does Your Kindergarten Classroom Affect Your Earnings? Evidence from Project Star*, Quarterly Journal of Economics, 2011

“Children from the poorest fifth of families are over a year behind the richest children in terms of vocabulary development at age five”

were eligible for Free School Meals (FSM) last year only 36.3% achieved 5 GCSEs at A\*-C including English and Maths, compared with 62.6% of children who were not eligible for FSM.<sup>15</sup> Academic ability and achievement also matter for outcomes later on; one study identifies how a girl growing up in poverty has an 8.7 percentage point increase in the probability of ‘bucking the trend’ and not growing up poor herself for every standard deviation increase in reading test score at age ten.<sup>16</sup>

Both cognitive and non-cognitive gaps develop at an early age; as noted in our earlier report, *Quality Childcare*, children from the poorest fifth of families are over a year behind the richest children in terms of vocabulary development at age five.<sup>17</sup> As with cognitive development, children from poorer backgrounds are disadvantaged in non-cognitive skills, as they are more likely to score highly for conduct problems and hyperactivity at the age of five.<sup>18</sup>

In terms of later life outcomes, boys who grew up in poverty are almost three times as likely to be unemployed at the age of thirty as those who did not.<sup>19</sup> As one study from the US puts it

*‘childhood poverty is correlated with dropping out of school, low academic achievement, teenage pregnancy and childbearing, poor mental and physical health, delinquent behavior, and un-employment in adolescence and early adulthood’<sup>20</sup>*

There has recently been increased discussion about whether we can actually do anything to address children’s development, or if too much is simply down to genes. While it would be disingenuous to ignore that researchers, such as Professor Plomin of the Twins Early Development Study, have identified the role that genes are playing, this does not mean that nothing can be done. He argues that perhaps around 50% of cognitive ability is heritable, and significantly less for non-cognitive ability. This still leaves a great deal that is malleable, and that policy around early intervention may be able to address.

### Why Does Poverty have this impact?

If we are to try and address this problem, it is essential to ask why poverty has this impact on children. Poverty can be seen to impact on children directly, for example material deprivation meaning they go hungry or without the right equipment for school. But the impact can also be mediated by other factors; for example it can affect the quality of school they attend, or as they grow up the chances for employment in their area. One of the most important of these mediating factors is parents, and children’s experiences at home; the stress, the lack of time, space and resources caused by poverty affects parents’ relationships with children. Studies have shown that the differences in home learning environment (the amount children are engaged with, spoken to and read to at home), parenting styles (the level and kind of discipline and rules parents apply) and parental stress (whether parents are depressed or anxious) can go some way to explaining the gaps in development between richer and poorer children. One found that the home learning environment and the well-being of mothers accounted for about 20% of the cognitive development gap between rich and poor, while mother’s

15 Department for Education, *GCSE and equivalent attainment by pupil characteristics in England 2011/12*, 2013

16 Blanden J, *Bucking the trend? What enables those who are disadvantaged in childhood to succeed later in life?*, DWP, 2006

17 Washbrook E and Waldfogel J, *Low Income and Early Cognitive Development*, Sutton Trust, 2010

18 Waldfogel and Washbrook, *Early Years Policy*, Child Development Research, 2011

19 Single-Rushton W, *Intergenerational and Life-Course Transmission of Social Exclusion in the 1970 British Cohort Study*, Centre for Analysis of Social Exclusion, LSE, 2004

20 Guo G and Harris K, *The Mechanisms Mediating the Effects of Poverty on Children’s Intellectual Development*, Demography, 2000

well-being alone accounted for 60% of the behavioural gap.<sup>21</sup> Genetics have been shown to play a significant role, but the environment a child grows up in still has a significant impact.

Research shows that children from lower income families do have very different home environments; for example, they are read to less frequently, with one study showing that only 45% of children from the poorest backgrounds were read to on a daily basis, compared to 78% of children from the richest<sup>22, 23</sup>. Additionally low-income mothers are more likely to suffer from anxiety and depression, to use harsher disciplinary methods, and to have more limited social networks, which in turn impact on children's development.<sup>24</sup> One study found that mothers in low-income households were more than twice as likely to suffer from post-natal depression as those in the highest income households, with other studies finding that (alongside antenatal depression, social support and a range of other factors) low income is a significant predictor of post-natal depression.<sup>25,26,27</sup> This shows that

'money does not directly 'buy' better test scores, but rather impacts on well-being through the way that it is allocated to different types of expenditure and behaviours/time use.'<sup>28</sup>

One recent study makes the point that income alone is not the sole indicator of children who are likely to face difficulties; they show that around 27% of children face 'multiple risks' – with parents who are depressed, workless, living in overcrowded conditions for example – and that these risks are likely to be compounded, resulting in poor outcomes for children. Importantly they found that while children from low income families fare worse than children from high income families, this is more marked if they also face some of the risks identified above.<sup>29</sup>

We should be concerned that these children are falling behind at a young age; their potential to grow into happy, talented (not to mention economically productive) adults is being squandered. It is not only for the sake of the individual families and children concerned that early intervention is rewarding; the potential savings to government if children grow up to succeed in school and move into employment, rather than struggle to cope and require help from the state, are enormous.

## Protective Factors and the Role of Early Intervention

This report does not argue that all lifelong outcomes can be determined by early indicators in this way. As noted above, many children do buck the trend and so it would be wrong to suggest these indicators are absolute. But more importantly perhaps, it is clear that even children who are successful at an early age from families with a lower socio-economic status (SES) are likely to fall behind those from high SES families by age ten, although they will still outperform those low SES children who were less able at an early age<sup>30</sup>. We must be aware that low SES continues to impact on children throughout primary (and secondary) school, and that, even if the development gaps were closed at age three, continued support would be necessary. In fact, the development gap has been observed to widen during the primary school years, with a gap of 27 percentage points between the poorest and richest children at age seven increasing to a 31 percentage point gap at age eleven<sup>31</sup>.

21 Gregg P et al, *Understanding the Relationship between Parental Income and Multiple Child Outcomes: a decomposition analysis*, CMPO, University of Bristol, 2008

22 Ermisch J, *Origins of Social Immobility and Inequality: Parenting and Early Child Development*, National Institute Economic Review, 2008

23 Washbrook E and Waldfogel J, *Low Income and Early Cognitive Development*, Sutton Trust, 2010

24 Gregg P et al, *Understanding the Relationship between Parental Income and Multiple Child Outcomes: a decomposition analysis*, CMPO, University of Bristol, 2008

25 Matijasevich et al, *Differentials and income-related inequalities in maternal depression during the first two years after childbirth: birth cohort studies from Brazil and the UK*, Clinical Practice and Epidemiology in Mental Health, 2009

26 Leigh B and Milgrom J, *Risk factors for antenatal depression, postnatal depression and parenting stress*, BMC Psychiatry, 2008

27 Marmot M, *Fair Society, Healthy Lives*, quoting evidence from the Department for Children Schools and Families, 2010

28 Gregg P et al, *Understanding the Relationship between Parental Income and Multiple Child Outcomes: a decomposition analysis*, CMPO, University of Bristol, 2008

29 Sabates R and Dex S, *Multiple Risk Factors in Young Children's Development*, CLS Cohort Studies, 2012

30 Feinstein L, *How early can we predict future educational achievement?*, CentrePiece, 2003

31 Goodman A and Gregg P, *Poorer children's educational attainment: how important are attitudes and behaviour?*, Joseph Rowntree Foundation, 2010

There is no single point at which additional support for the poorest children should stop. However, if you get the support right at the earliest stages, and narrow the development gap at that stage, poor children are more likely to be set on course to achieve highly throughout their lives. There will still be essential work needed to ensure that they are given the right support and opportunities to stop them falling behind, but at least children will be starting out on a more equal footing.

What the research shows is that the behaviour of parents, in terms of the learning environment they create in the home, and the way they set boundaries for their children, has a very significant impact on the development of their children, and so their chances of succeeding. These can work as a 'protective factor' against the risks associated with growing up in poverty, and help their children to buck the trend of growing up poor themselves.

Therefore ensuring that parents are able to nurture and protect their own children is the most effective thing government can do to help. Supporting families spans whole areas of government policy, including health visitors and midwives, welfare reforms, and school standards. But it is not possible to rely just on these services and there is also a role for services specifically designed to help families and children; this is where Sure Start Children's Centres come in.

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# 2

## Development of Sure Start Children's Centres

In Chapter 1, the report outlined how it is that poverty can go on to affect children's development and life chances, and the way in which early intervention can help counteract its detrimental effect. Sure Start was the primary tool chosen to address some of these issues by the Labour government in 1997. It was not working in isolation; the range of changes to welfare policy, around Child Tax Credits for example, was also designed to address the underlying cause of the difficulties families were facing, namely poverty; and the changes made to childcare and access to free hours of care were also addressing both parental employment and child development concerns.

However, the original theory of Sure Start was aligned to the idea of improving the experiences of children living in poverty by supporting families, through

*'supporting children's personal, social and emotional development, improving parenting aspirations and skills, providing benefits and housing advice, helping families back into employment, providing access to good early education, and addressing family health and life chances.'*<sup>32</sup>

Sure Start began with 250 Sure Start Local Programmes (SSLPs) which were to be universal services placed in areas of high disadvantage, as a way to ensure that the majority of deprived children would be able to access services.

The reasoning for Sure Start was sound; get the right kind of support to deprived children who are likely to be at more risk than their peers elsewhere. However, while the ideas about what children need have been fairly consistent since the introduction of Sure Start, there has been a great deal of change in the methods of delivery over time.

### History of Sure Start

It was decided that SSLPs should be very responsive to local wishes, rather than have a strict regimen of interventions imposed from above, and it was deemed very important to have significant involvement from parent groups and volunteers. The programmes were required to offer certain core services:

- Outreach services and home visiting building on existing services
- Support for families and parents, including befriending and social support such as mentoring and parenting information

32 Goff J, Hall J, Sylva K, Smith T, Smith G, Eisenstadt N, Sammons P, Evangelou M, Smees R, Chu K, *Evaluation of Children's Centres in England (ECCE) Strand 3: Delivery of Family Services by Children's Centres*, Department for Education, 2013

- Services to support good quality play, learning and childcare for children
- Primary and community healthcare and advice about child health and development and parental health
- Support for those with special needs, including support in getting access to specialised services

The original Sure Start Local Programmes were well funded. There were 60 ‘trailblazer’ sites, each of which were invited to bid for up to £1million for a three year programme (as Naomi Eisenstadt points out in her account, it is perhaps unsurprising that almost all the sites put in bids for a figure very close to this amount).<sup>33</sup>

As one of the most important features of SSLPs was to be their ability to work with other agencies, particularly health, when supporting families, governance at Westminster was also inter-departmental, with ministers from the DfE and DH responsible.

By 2004, the Sure Start Local Programmes were relatively well embedded as a feature of the landscape, although with a strict geographical focus for their universal offer as centres were still situated in only the more deprived areas; 524 centres were designated at this point. The programme then increased

significantly when Sure Start Children’s Centres were rolled out. This happened in three phases, with all SSLPs, Early Excellence Centres and Neighbourhood Nursery Initiatives becoming either phase one or two centres, and the eventual aim of having a Children’s Centre in every community by 2010. This was a massive expansion of the project, which was now no longer about supporting just the most disadvantaged families with an area-wide intervention but rather became about providing a service across the whole

country. This was partly due to the popularity of Sure Start and partly due to fears that many disadvantaged children did not live in the areas of highest disadvantage (and indeed that not all types of disadvantage could be defined in economic terms). The idea of a service targeted by area, but open to all, was transformed into a service that was in theory universally available across the country, to ensure that all people who needed help could access it.

A target was set of having 3,500 Children’s Centres by 2010, and the expenditure overall on Sure Start naturally increased, rising to £1.9 billion in 2009/10 (although this is the total for the Sure Start, Early Years and Childcare Grant; the total spent directly on Sure Start was probably closer to £1.2billion).<sup>34</sup> However, recent research from the LSE shows that, in fact, what this has meant is a reduction in funding for the most deprived areas

‘What is clear, though, is that while spending on Children’s Centres continued to rise, it did not do so as quickly as the number of centres, and funding for later centres was far less generous than for the early SSLPs. Fully operational SSLPs spent on average around £872,000 a year at 2009–10 prices, or £1,090 for each of the 800 children in a Sure Start area. In the government’s guidance for universal rollout it anticipated that local authorities would allocate around £400,000 a year to centres in the most deprived 30% of areas.’<sup>35</sup>

“The idea of a service targeted by area, but open to all, was transformed into a service that was in theory universally available across the country, to ensure that all people who needed help could access it”

33 Eisenstadt N, *Providing a Sure Start: How Government Discovered Early Childhood*, Policy Press, 2011

34 Department for Education, *Sure Start Early Years and Childcare and Aiming Higher for Disabled Children Grant Allocations 2009/10*,

35 Stewart K, *Labour’s Record on the Under Fives: Policy, Spending and Outcomes 1997-2010*, LSE, 2013

The roll-out was presented in an extremely positive way by the government, with press releases and announcements as each milestone of number of centres was opened:

*'Children's Minister Beverley Hughes today announced that the Government's roll out of Sure Start Children's Centre had reached the 1,000 milestone early giving 800,000 small children the opportunity for a better start in life.'*<sup>36</sup>

Alongside this expansion, there was a gradual move towards a more standardised offer, beginning with the rebranding of SSLPs as Children's Centres and the roll out of these across the country. The funding was now distributed by the LA and so was less a matter for decisions at the neighbourhood level, and there was increased requirement regarding their core offer of services.

There were important changes to the role Children's Centres were meant to play in addressing poverty itself, mainly through employment. Originally, SSLPs had no requirements to have childcare on-site; with the roll out of Children's Centres, this was introduced for those centres in the most deprived areas (although it has since been removed by the Coalition in 2011). This was a contentious issue in 2004 because Sure Start was not originally conceived as a childcare provider, but rather as a provider of supportive family services. Additionally, the introduction of targets related to the number of children living in workless households, and the requirement to have links with JobCentre Plus, raised questions about whether Children's Centres were more about enabling parents to return to work than helping them to develop their children.

It is not only in the employment or family support agenda that Children's Centres sometimes appear to be pulled in many directions. They were increasingly asked to be involved in healthcare, social work and early education as well as broader family support and employment; a significant task for any single organisation and it was not always clear where their responsibilities ended and others began.

There was also a further drive towards professionalising the service; while parents were still represented on boards, there was increased focus on the role of professional staff, for example with the introduction of the National Professional Qualification in Integrated Centre Leadership for centre leaders, piloted in 2004 and then rolled out nationally.

## Children's Centres under the Coalition

Since the change of government in 2010, the Sure Start programme has again changed in nature. There has been a loosening of the requirements on what Children's Centres have to offer: a removal of the ringfence around the funding, as well as an overall reduction; and movement towards a more targeted approach in centre provision, if only by repeated requests and statements from central government, as they are clear that decisions are all an LA responsibility.

### A more flexible offer

Until 2010/11, Children's Centres were funded through the Sure Start, Early Years and Childcare Grant (SSEYCG), which provided £1.65 billion revenue and £0.3 billion capital funding. This covered more than just Children's Centre funding, as it also had to fund the LAs statutory requirements regarding childcare,

36 *Government Gives a Surer Start to 800,000 Children*, DFES, 2006

for example the pilot offer for two year olds' free education and ensuring sufficient levels of childcare in the area. Additionally, the funding for centres that were originally SSLPs was calculated separately within this grant, with a total of £251million. The total amount of funding specifically for Children's Centres, including revenue, capital and SSLP funding, was £1.24billion, although it was not technically ringfenced within the SSEYCG.<sup>37, 38</sup>

However, in 2011 the Early Intervention Grant (EIG) was introduced. This meant that LAs were provided with a lump sum to spend on an array of services related to early intervention; this includes Children's Centres but also services like teenage pregnancy and youth justice programmes, with no ringfencing for each service. LAs were free to choose how the money could best be spent. Alongside this, some of the mandatory requirements on children's centres were lifted; for example, the requirement for children's centres to provide childcare in the most disadvantaged areas was removed, as was the requirement for a linked qualified early years teacher.

Given this flexibility on expenditure, it is important to establish how much is being spent on Children's Centres now.

### Reduced funding

The next chapter looks in detail at the funding of Children's Centres, but it is clear there has been a reduction since 2010, with s251 returns showing a 20% fall in expenditure on Children's Centres between 2010 and 2012/13. In addition, from 2013/14, money will be directed through the business rates retention scheme, with a significant proportion transferred out to be spent on two year old childcare, leaving much less money available for early intervention, including Children's Centres.

At the time the EIG was introduced, there was some doubt as to whether there would be enough money, or if it would lead to closures of Children's Centres. The government response was that

*'Directing funding through the new Early Intervention Grant will give Local Authorities (LAs) greater flexibility to make funding decisions based upon the needs of their communities. We have ensured there is enough money in the Early Intervention Grant to maintain the existing network of Sure Start Children's Centres, accessible to all but identifying and supporting the most vulnerable and disadvantaged families'.<sup>39</sup>*

The theory was that by increasing targeting, operating more efficiently and perhaps charging some parents for services, Local Authorities would not have to close any centres. We will look in detail in the next chapter at what has actually happened.

### A more targeted offer

The Conservative manifesto for the last election outlined how they believed that a more targeted service would be a better model for Children's Centres, both in terms of reducing overall spend and ensuring the most disadvantaged received effective services; the Liberal Democrats supported this proposition after the formation of the Coalition. There was concern that the more affluent middle classes, who were thought to dominate attendance at many centres, receive, for free or at a subsidised price, a range of services for their children that they might

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37 Department for Education, *Sure Start, Early Years and Childcare Grant and Aiming High for Disabled Children (AHDC) Grant LA funding allocations for 2010-11, 2012*

38 Teather S, *Daily Hansard Written Answers*, Column 1026W, 22 March 2011.

39 Government Response to the Fifth Report from the Children, Schools and Families Committee, Session 2009-10

otherwise pay for themselves. This approach was summarised by David Cameron in 2010:

*“There is a criticism sometimes with Sure Start that a great new centre is established and the ‘sharp-elbowed’ middle classes, like my wife and me, get in there and get all the services. We need to make sure the money will be helping the people whose disadvantage is the greatest. It can’t just be a service that everyone can jump into and get advantage out of. It is really there for those who are suffering the greatest disadvantage.”<sup>40</sup>*

The debate about a universal compared to a more targeted service continues; some centre managers contacted by our research team felt strongly that providing services to everyone in their area dealt with the issue of stigma. They also pointed out that a ‘targeted’ service ran the risk of only dealing with those who needed really intensive help, and missing those with less severe needs, but of the kind the Children’s Centre could help to resolve before they escalated. As Save the Children put it in their evidence to the Select Committee, citing arguments from 4Children:

*‘Save the Children supports the core purpose of Sure Start – “to improve outcomes for young children and their families, with a particular focus on the most disadvantaged, so children are equipped for life and ready for school, no matter what their background or family circumstances”*

*However, we strongly urge that access to Sure Start remains universal. 4Children argues that there are a number of risks if Sure Start Children’s Centres are restricted to low- income families:*

- Stigmatising those families who use children’s centres
- Vulnerable families who are living in poverty, but not in official ‘areas of deprivation’, falling through the net
- Preventing parents from accessing help for problems that are not related to income, such as breast feeding and post-natal depression
- Denying children and families the social mobility benefits of interacting with children from a diverse range of social backgrounds

*Whilst we support a universal approach, we believe that Sure Start should remain a core service provider for low income families, providing high-quality services and care for children and families who are most in need.’<sup>41</sup>*

It is interesting that they suggest breast-feeding and post-natal depression are two of those things that are not related to low-income; as we have pointed out above research has shown a higher prevalence of post-natal depression in low-income mothers, and mothers in low-income areas are least likely to breastfeed.<sup>42</sup>

However, others echoed the thoughts of Cameron, suggesting that there was no point in them providing play sessions or support to families who would be fine without them; they should provide services to those who need them, not just those who want them. As one Children’s Centre manager put it to us in an interview:

*‘It should be targeted, it’s kind of pointless having an offer which means lovely middle class people can come in and do the things with their kids that they’d probably do anyway. To make a difference, and if we’re honest about trying to close the gap it has to be targeted at at least the thirty percent most disadvantaged families’*

<sup>40</sup> David Cameron, 11th August 2010, Manchester

<sup>41</sup> Written evidence submitted by Save the Children to the Education Select Committee’s ‘Foundation Years – Sure Start Children’s Centres’ inquiry, 2013

<sup>42</sup> Entwistle F, Kendall S and Mead M, ‘The promotion of breastfeeding among low-income women: midwives’ knowledge and attitudes following a WHO/UNICEF breastfeeding management course’, Evidence Based Midwifery, 2007

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# 3

## Funding of Children's Centres

It is fair to say that, following the advent of the Coalition and the move away from ringfenced funding towards the EIG, that there was general scepticism as to what this would mean for centres. In that light, it is worth considering how it has in fact impacted on Children's Centre numbers and funding.

Although the DfE maintains that there was sufficient funding within EIG to "maintain the existing stock of children's centres", the overall pot has certainly been reduced. We therefore look at how spending has changed during the changes in funding arrangements.

Looking at the section 251 returns provided by LAs, these show that total Children's Centre expenditure went down from £1.4billion in 2010/11 to £1.1billion in 2011/12, a reduction of 21%, and then further reduced to £954million in 2012/13, a total reduction of 31.8% over the two years.

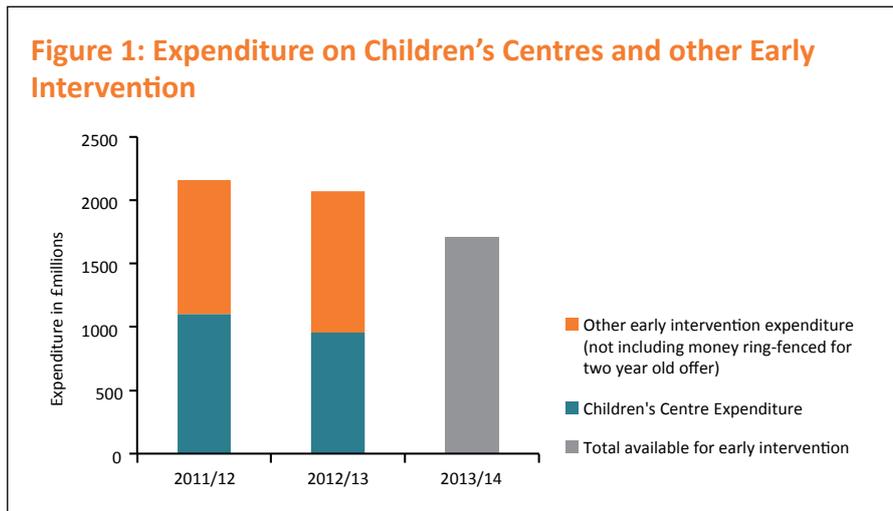
However, further enquiry found that the 2010/11 figures included a line on LA management costs not included in 2011/12; on a like-for-like basis spending was £1.2billion in 2010/11, meaning the reduction was 9.5%, and closer to a 20% reduction to 2012/13. It is also very important to see how much Children's Centre funding changed in relation to all the other early intervention services funded by LAs through the EIG. The total EIG for 2011/12 was £2.223billion, although this includes £64million

spent on two year old education, meaning Children's Centres accounted for 50% of expenditure.<sup>43</sup> In 2012/13, the total EIG was £2.365billion, although the DfE states that £291million of this was for two year old education, meaning roughly 46% of the grant was spent on Children's Centres. From 2013 onwards, the EIG transfers to the business rates retention scheme and the money for two year old education transfers to the Dedicated Schools Grant (DSG). This will leave £1,708,918,200 for early intervention in 2013/14, and £1,600,026,400 in 2014/15.<sup>44</sup> Budgets are not yet available to inform what proportion of this will be spent on Children's Centres; if we estimate that Children's Centres continue to account for roughly 50% of the early intervention expenditure as they have done in the past two years, this would mean around £854million for Children's Centres in 2013/14 – a reduction of 28% since 2010.

“Although the DfE maintains that there was sufficient funding within EIG to ‘maintain the existing stock of children’s centres’, the overall pot has certainly been reduced”

<sup>43</sup> Department for Education, *Early Intervention Grant FAQs*, 2012

<sup>44</sup> Truss, E, *Hansard*, c749W, 29 January 2013



To complement and validate these figures, Policy Exchange sent out a Freedom of Information request to the 152 LAs across England responsible for Children's Centres, asking how the funding for all programmes last year supported by the Early Intervention Grant (including Children's Centres) had changed from the previous year. However, this was not as straightforward as it initially seemed. Of those who responded, 31 simply state that as the EIG is a non-ringfenced grant they could not provide a breakdown of expenditure. A typical answer was

*'EIG is an un-ringfenced grant, as such there is no requirement to designate and account for it specifically: it funds our net council budget of which Children's Services is a substantial part'.*

While we were aware of many of the concerns surrounding the ringfence for Children's Centres, this raises a new issue in terms of transparency and accountability. This kind of response, as well as complete lack of response from some LAs, meant we only had usable data from 47 FOI responses. Additionally, some LAs 'topped up' the EIG funding of Children's Centres with money from their central budget, so calculations of Children's Centre funding as a proportion of EIG may be distorted when compared to previous year's budget as a proportion of all the grants the EIG replaced.

However, with all these caveats, we calculated that Children's Centre budgets had decreased by 11% from 2010/11 to 2011/12 (due to the timing of the request and LA reporting schedules we only have data for that year though as shown above, budgets have continued to fall since then). The overall budgets for services that are now funded by the EIG decreased by 12%, so, in relative terms, Children's Centres have been slightly more protected. This of course conceals a great deal of variation, with some LAs maintaining their Children's Centre budgets at exactly the same level and some decreasing them by over a quarter. While this is a slightly greater reduction than that found through the s251 returns for that year (11% compared to 9.5%) that could be explained by the sample size, so it seems that Children's Centre budgets have fared slightly better than other early intervention services, in light of the overall LA funding cuts.

## Funding in Deprived Areas

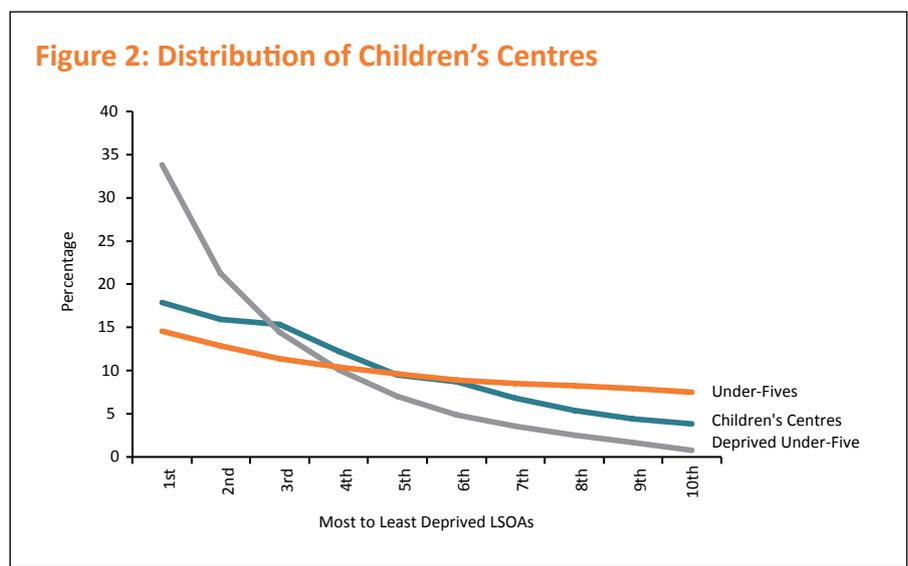
As outlined earlier, there is a debate between whether it is better to offer a targeted service, which can be better funded and more focused on helping those

who need it most and will really benefit from it, but may either create stigma or miss out on those with less severe needs (if targeted within an area), or miss out on those 13% of deprived children who by our calculation live in the more affluent areas of the country (if targeted by area).

In principle, this report argues, a targeted approach is the better one for Children’s Centres, returning them to their earliest purpose around helping families in the most deprived areas. There is, of course, a risk that doing this could risk missing those children who are living in more affluent areas but still facing hardship, but this can be addressed by effective use of data to help with outreach, and making good use of referrals from health visitors who identify any further needs, while maintaining a skeleton service in those more affluent areas, perhaps staffed more by volunteers, in order to provide more funds for a truly high quality service in deprived areas.

Moreover, in one sense this is a moot debate, as it is difficult to see the circumstances in which current public spending figures will allow a sufficiently comprehensive universal service, which is able to offer that kind of high quality service that is likely to have a positive effect on children and families. Within the current and assumed future spending envelope, therefore, the debate is around how best to ensure high quality for those who would benefit from it the most, which is best delivered through a targeting of funding towards the most deprived areas

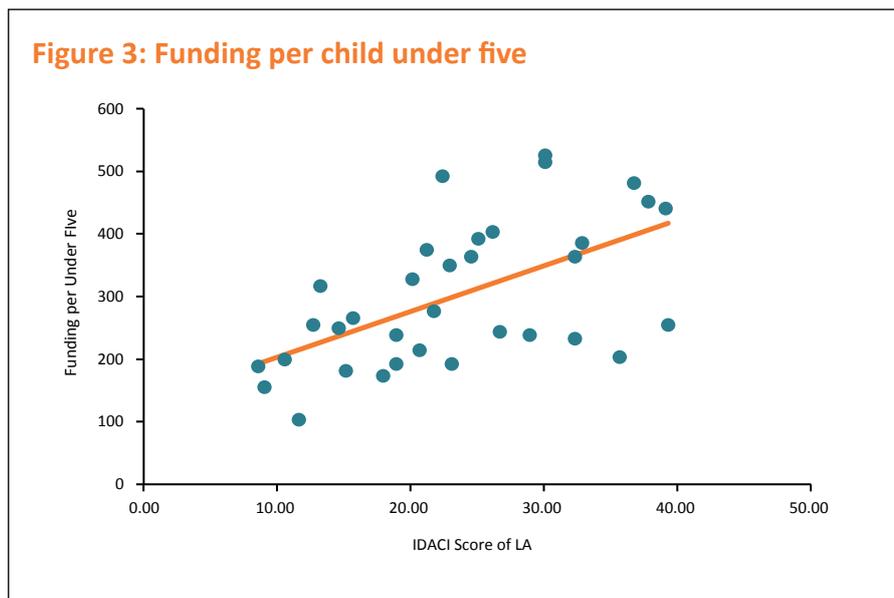
An analysis of current provision shows how this is already happening, and has happened for a while. If we consider where centres are based, it is easy to see that (unsurprisingly, given the original purpose of SSLPs) more centres serve areas where the most deprived families live. The graph below shows the distribution of Children’s Centres in each decile of deprivation, as judged by the Income Deprivation Affecting Children Index (IDACI) for all the Lower Super Output Areas (LSOA) in the UK, alongside the distribution of all children under five, and deprived children under five.



It is also important to examine how funding relates to the deprivation of centres, which can be done by looking at the IDACI score for the LSOA in which they are located. Of course, especially in London, this does not mean that their catchment area may not include some LSOAs with very different levels of deprivation, but it is the most suitable proxy available to use.

The figures show how funding follows deprivation; the Children's Centres in the 30% most deprived areas receive on average £258,097 a year, compared to those in the least deprived areas that receive £126,427 a year. This is solely for the funding of each individual centre, while some LAs pool some costs centrally, but it is still indicative of the way money is distributed. However, as noted in a previous chapter, the funding for centres in deprived areas was dramatically reduced after the roll-out to a more universal service, with money being spread more thinly.<sup>45</sup>

Looking at the number of under fives living in each LA, and the level of deprivation in that LA as a whole, it is possible to see that there is more funding for each child under five in those LAs that are more deprived.



However, while the chart shows that some targeting towards deprivation funding is indeed happening, new analysis for this report indicates that cuts to existing Children's Centres are sometimes being made flatly across an area, regardless of the deprivation that they are serving. For instance, Children's Centres in the most deprived 30% of LSOAs on average had their budgets reduced by £25,582 compared to £9,605 in the least deprived. Of course, this may give an unfair impression as centres in the most deprived areas were more highly funded to begin with, so perhaps it would be better to look in terms of percentage change. Overall, the most deprived have seen average reductions of -5.28%, and the least deprived of -6.49%. It is hard to draw firm conclusions from this, but it is interesting to note that the levels of funding change have, in percentage terms, been quite similar regardless of the level of deprivation. The average reduction overall was around 5%; this is a much lower than the total reduction in spending on Children's Centre, which we identified earlier. However, this could be explained if central expenditure was reduced so meaning individual centre budgets decreased less, while overall expenditure decreased more.

### Current pattern of children's centre provision

Despite this reduction in spend, Children's Centre numbers have survived remarkably well. Government figures show that the total amount of centres in

<sup>45</sup> Stewart K, *Labour's Record on the Under Fives: Policy, Spending and Outcomes 1997-2010*, LSE, 2013

2010 was 3,631. In 2011 it was 3,507, and the latest figures from the Sure Start On database show that there are a total of 3,088 as of August 2013. However, as our FOI reveals many of these reductions will have come from centre leadership merging, rather than outright closures. At the end of April 2013, the number of outright closures was 35, less than 1%.<sup>46</sup> Using mapping software, and the mid-2011 census estimates of LSOA populations it is possible to estimate that 67% of the population still live within one mile of a Children's Centre, and 93% within five miles.

While Children's Centre numbers have held up well, it is likely that funding for Children's Centres will continue to come under pressure in future years. In light of this, it is important to show how funding can best be directed and look at examples of how centres have managed falling budgets to date.

One of the questions we asked on our FOI was about closures and reorganisation. In the 120 LAs who replied to this question, there were 25 planned outright closures of individual centres, but 24 LAs replied that some of their centres had merged or moved to a 'hub and spoke' model. In this model one centre will be designated as a lead centre, running the full range of integrated services, with a certain number of linked centres that will run a more limited level of provision and organise more specific community outreach programmes.

Such a hub and spoke model has good potential to allow for savings to be made by having some shared staff, including managers, over two or more localities. Additionally, if funding is tight, some LAs suggest that a way to ensure they are targeting those who need it most is to focus on delivering a full service in more deprived areas, rather than spread their resources too thinly. However, there are potential risks as well; not all children needing support will live within easy reach of the 'hub' centres, and satellites will have to work hard to ensure this doesn't mean they don't lose access to services.

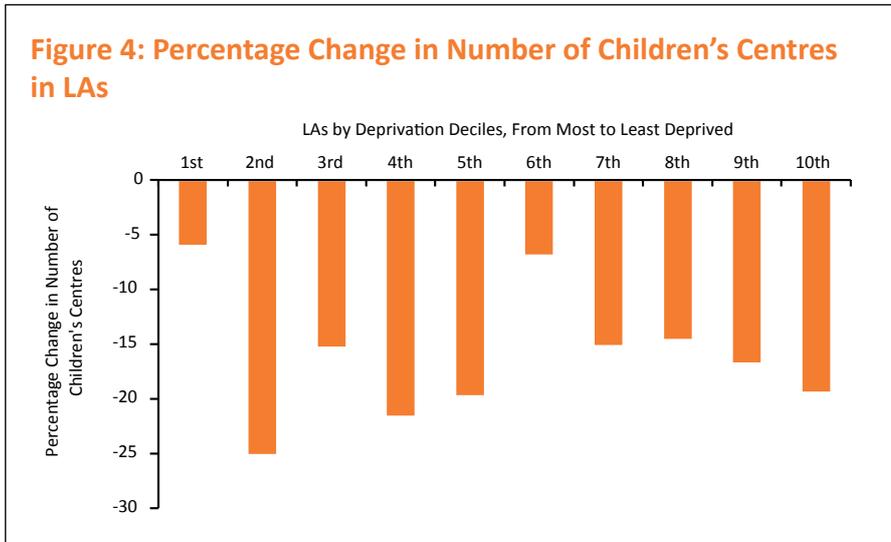
Some centres are also making good use of volunteers. The Government has now commissioned a large scale research project around the impact of centres in England, the Evaluation of Children's Centres in England (ECCE). This study found that volunteers make up 18% of staff in the most deprived centres.<sup>47</sup> However, it is important, especially in deprived areas, to make sure that volunteers are correctly deployed, and not used simply to cut costs. We spoke to many centre leaders who explained how volunteers used their experience as a stepping stone into work; this is a very legitimate way for centres to work. However, it makes it even more important to ensure that volunteers, who may not be qualified or experienced if this is their first step into work, are not used to plug the gap where trained professionals are needed. This is not to say they don't have an important role to play; we have seen many centres using volunteers to outreach into the community and offer translation skills, for example; a very cost effective way of delivering this support.

The chart below looks at the percentage change in the number of centres in LAs grouped by their level of deprivation between 2010 and August 2013. It is important to note that 'closures' here mean centres no longer being listed on the Sure Start database; they will, in fact, include mergers and restructuring of centres. While the LAs in the most deprived decile have seen the fewest closures, beyond that there is no clear pattern to suggest that closures have been well targeted.

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<sup>46</sup> Truss E, House of Commons Debate, 20 May 2013, c584W

<sup>47</sup> Tanner E, Agur M, Hussey D, Hall J, *Evaluation of Children's Centres in England, Strand 1: First Survey of Children's Centres Leaders in the Most Deprived Areas*, Department for Education, 2012



It is useful to look at individual instances of LAs reorganising resources as an example of this kind of targeting in practice. Hull County Council, which needed to make savings of £1million, recently consulted on the best way to achieve this. While they suggest that some savings could come from charging parents, given that parents were reluctant to spend more than £2 a session, this would not go very far (they estimated a maximum of £65,000). When consulting, more parents (24% compared to 20%) wanted to keep the current numbers of Centres, but they noted that

*'On the other hand, from the perspective of staff, partners and others, their preferred option was to reduce the number of Children's Centre sites as they felt that this option would give them the greatest ability to reach children, particularly those children in our most disadvantaged communities.'*<sup>48</sup>

They are therefore proposing to close some centres, and to convert some to delivering childcare (it will be likely that no capital clawback will be effected in this case) with some activities still delivered. By using Super Output Area data on deprivation, they hope to ensure that the areas most in need are most fully served.

Targeting is not only happening at an LA level, but also at a centre level. The latest ECCE report found that:

*'In 2012 there was a shift towards services which had a more targeted and focused approach. For example, there was an increase in evidence-based parenting programmes and decreases in informal peer support for parents as well as stay and play for school aged children'*<sup>49</sup>

When it comes to location of centres, while we note above that Children's Centres are indeed concentrated in the most deprived areas, it is still the case that 430 centres (14%) are located in LSOAs that are the 30% least deprived in the country, where only 5% of deprived children live. Of course, it is important to ensure that these children do not fall through the net, and that they have access to real support, but 430 Children's Centres might not be the most efficient way of doing that. Finally, our analysis of where centre closures have occurred, reveals that, while the most deprived areas have been relatively 'protected', this is only true for the 10% most deprived LAs. Beyond that, it appears likely that closures

48 Hull City Council Children's Centre Consultation

49 ECCE Strand Three

have affected deprived areas more than affluent ones; this must be treated with some caution as these areas may simply be using mergers and new structures to get the most out of their current offer.

While this report acknowledges that some areas are already targeting effectively, it is not happening consistently. Therefore a key recommendation is

### Recommendation 1:

**Local Authorities should seek to return Children’s Centres to their original purpose and target their expenditure on more deprived areas – as well as considering other ways in which they spend their money to achieve similar objectives. In order to hold them to account for this targeting of resources, increased financial transparency of their own Children’s Centre spending will be required.**

### Two year old childcare offer and the relationship with Children’s Centres

While part of the reductions in Children’s Centre funding reflects across the board reductions being made to Local Authority budgets, there is another factor playing a large role, namely the transfer of money into the ringfenced DSG which is to be spent on providing early education for two year olds.

As we outlined in our report *Quality Childcare*, high quality childcare can have a significant impact on children’s development, particularly for those from disadvantaged backgrounds. Of particular interest perhaps is the fact that these positive effects have not only been shown in small, controlled trials but also at a national scale. The EPPE project is a large scale longitudinal study of more than 3000 UK children, relating the length of time in childcare and the quality of that care, to later outcomes.

The study concluded that, for children aged three and above, attending a good quality full or part-time preschool was not only substantially beneficial for both cognitive and behavioural achievement; it also had a “protective” effect, offsetting to some extent the effect of a child attending a less effective primary school, in terms of reading and writing outcomes. Although the 2004 report shows that at age three those children who attended pre-school were more likely to display some signs of anti-social behaviour, by age eleven these effects have disappeared and children who attended pre-school are seen to have slightly improved positive social behaviour.<sup>50</sup> The positive impact was greatest for the most disadvantaged children.

From a child development perspective therefore, as well as an employment one, it makes sense for governments to invest in childcare, and they have done so. In 1997, free childcare for all four year olds, for 12.5 hours a week in term time, was introduced and this was soon rolled out to three year olds, and increased to 15 hours per week. Much work has also been done to raise the quality of early years provision, not least the introduction of the Early Years Foundation Stage (sometimes unfairly referred to as the ‘nappy curriculum’, it is in fact a much broader outline of what good development means, and how practitioners can help children to develop) and Ofsted inspections for childcare. Raising the quality of childcare has also been a focus for this government, for example with the introduction of Early Years Teachers, and the roll out of Teach First to the early years, something we recommended in our report.

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50 Sammons P, Sylva K, Melhuish E, Siraj-Blatchford I, Taggart B, Grabbe Y and Barreau S, *The Effective Pre-School and Primary Education 3-11 Project (EPPE 3-11): Influences on Children’s Attainment and Progress in Key Stage 2: Cognitive Outcomes in Year 5*. London: DFES / Institute of Education, University of London, 2007

The current government has maintained a focus on early years provision, as part of the Fairness Premium package announced by the Deputy Prime Minister just before the Comprehensive Spending Review in 2010, followed by the announcement last year that, from September 2013, 130,000 children falling into the 20% most deprived bracket will be entitled to 15 hours a week of free childcare.<sup>51</sup> From next year, this will be extended to 40% of children, again on income grounds. This was combined with a variety of measures to make the new entitlement and existing entitlements for 3 and 4 year olds more flexible<sup>52</sup>.

However, in order to fund this, money has been transferred from the EIG (which can be spent on all forms of early intervention, including Children's Centres) to the DSG, meaning it can only be spent on education. In other words, the sum of funding – £543m in 2013/14 and a further £760m in 2014/15 – will no longer be available to fund work in or through Children's Centres<sup>53</sup>. This is in addition to £150million being retained centrally each year, which in 2013/14 will be used to fund a one off Adoption Reform Grant. This has caused a considerable backlash from many Local Authorities and Children's Centre providers who argue that it will lead to further closure of centres.

However, in austere financial times, it is important to focus less on specific models of provision, and more on overall impact on the target group – in this case, deprived 2 year olds. We believe that, overall, the evidence base for the positive impact that high quality childcare can have is positive, and – importantly – more positive than the same sum of money being spent through Children's Centres. Therefore, on a value for money perspective, a switch of funding within a fixed pot should lead to a greater overall impact even if centres have to close – and, as has been shown above, a reduction in funding does not necessarily lead to widespread closures as sometimes predicted.

However, the EPPE project, which showed the effectiveness of early education, also revealed that this was only true of high quality care. As we noted in our last report, the quality of childcare in more deprived areas is on average lower, and addressing this will be a significant challenge. Sixty percent of childminders, and 74 per cent of non-domestic providers, are judged Good or Outstanding in the most deprived areas, compared to 76 per cent and 82 per cent respectively in the least deprived areas.<sup>54</sup> Worryingly, the Director of Education at Ofsted noted this year that the rate of improvement was slower for those satisfactory settings in deprived areas.<sup>55</sup> A recent survey of those offering the two year old pilot found 20 per cent of children were not in a Good or Outstanding setting.<sup>56</sup>

Policy Exchange believes that there needs to be a real drive to ensure that there is sufficient outstanding childcare in deprived areas for all two year olds, so that this investment actually fulfils the potential it has for a dramatic positive impact on poor children's lives. While there has been some work done on ways to improve quality, such as the Early Years Teachers mentioned earlier, there is room for more. One idea LAs could currently consider, which would also address some of the concerns around future viability, is delivering the two year old offer in Children's Centres, which have been shown on average to have a higher quality offer, as well as the kind of family support services that those from deprived backgrounds are more likely to need. The suggestion, however, by some that the requirement for

“In austere financial times, it is important to focus less on specific models of provision, and more on overall impact on the target group.”

51 Nick Clegg, *Putting a Premium on Fairness*, 15th October 2010

52 Nick Clegg, 30th May 2012

53 Business rates Retention technical consultation, DCLG, 2012

54 Ofsted, *The Annual Report of Her Majesty's Chief Inspector of Education, Children's Services and Skills 2010/11*, 2011

55 Sue Gregory, *Ofsted Early Years Annual Speech*, December 2012

56 Rutter J, Evans B & Singler R, *Supporting London local government to deliver free education for disadvantaged two year-olds*, London Councils and Daycare Trust, 2012

centres to provide childcare should be reintroduced does not seem sensible as LAs should consider quality of provision before method of provision and look to offer a diverse market for families to take up their offer from.

However, due to the funding changes and guidance from *More Great Childcare*, there may not be sufficient funding for LAs to carry out their role to ensure enough places of high enough quality to meet the clear policy intention of the government. The government should therefore create a time limited pot of funding that can be used to support expansion of quality amongst settings. Such a fund would be held centrally and could be bid for by either LAs or providers themselves, who can demonstrate a clear business plan for quality improvement.

To take one example, an LA may wish to deliver an area wide plan around workforce quality as was previously delivered through the Graduate Leader Fund, which provided money for settings to support, and bring in cover, for staff doing further training, and which was shown to have a positive effect. Likewise LAs may wish to deliver more intensive inspection and quality improvement, as we recommended in our report *Quality Childcare*, which will require funding. Although the Government was right to simplify ringfences on money, and move this specific pot of funding into the EIG, there is a case for individual LAs to make a specific bid for it as part of an evidenced drive to improve quality. Similarly, individual providers – particularly the larger providers – may wish to bid for funding to support them in forming established partnerships with less successful centres, with clear requirements around work sharing, leadership support, and capacity building. Individual centres may also want to bid for resource to buy in additional support from these larger providers.

There is also potential in expanding existing schemes, such as the one run by 4Children, with some DfE funding, to develop ‘Community Childcare Hubs’, which can be run out of schools, nurseries or Children’s Centres. While part of their function will be to perform a brokering service (for example, if a parent needs a few hours from a childminder and a few days at a nursery) there is also scope for these hubs to work with childcare settings to raise quality. More funding for these could raise them to a similar status to Teaching Schools, although this would require some commensurate support from the National College, with similar capacity to share best practice and mentoring. Given the probable need for additional family support for these children, centres may wish to show how they will raise the capability of childcare workers in this respect.

This money could come from savings made by introducing a lower cap to the recently announced tax-free childcare scheme. While in the consultation the income limit for eligibility of £150,000 per parent is used as it aligns with the additional tax band, it would not add a significant administrative burden to lower this threshold. An entirely new system is being introduced, whereby families will have to register with a voucher provider and either the provider or a third body will need to liaise with government to confirm their employment status, number of children and income. This is already very different to an employer simply paying an employee some of their salary through a tax-free voucher, so there should not be a significant extra burden if the cap was set at a lower figure.

The table below shows the potential savings to be made from introducing a lower income threshold for the scheme, with figures for the number of children in each income bracket derived from the Family Resources Survey. Certain assumptions were made in this calculation:

- That there is an even distribution of children in each year group from 0 to 12, to get the numbers for under-12s (rather than 12 and under which the FRS provides)
- That take-up would be 45%. This was based on the DfE survey showing that of the 78% of dual-earner couples or lone-parents who use childcare, 57% pay for it, a total of 45%.
- That parents would use the full £1,200 per child that they are eligible for, meaning a parental contribution of £4,800. Accurate estimates of parents expenditure per child are not available, so this figure could well be lower resulting in lower overall savings.
- That the cap would be applied to dual-earners and lone parents equally. Given that it is more burdensome on lone parents without a second income, government may in fact wish to consult on a higher threshold for lone parents.

New Threshold for Eligibility	Savings
One earner on over £60,000	£238million
One earner on over £75,000	£145million
One earner on over £100,000	£52million

There would potentially be even more savings to be made if the income cap was changed from an individual to a family threshold, which (given that this is in essence a benefit rather than a tax-break) may be more logical and in keeping with the way other benefits are calculated.

### Recommendation 2:

**While this report supports the decision to ringfence money for two year old education, more work is needed to ensure there are sufficient places of high quality. Government should therefore consult on lowering the cap on parental income eligibility for tax-free childcare, and reinvest the savings in a time limited pot of seed funding that LAs, early years providers, or individual Children’s Centres could bid for with a specific evidence based proposal, in order to raise the quality of childcare in deprived areas.**

While thinking about other ringfenced allocations for specific early interventions, it may also be worth looking into the CANparent voucher scheme, currently being piloted, which provides vouchers for £100 for all parents who claim them to attend a parenting course. It is important to wait until the scheme is fully evaluated, but, at the moment, the way it works is that parents are given a voucher by a health visitor or Children’s Centre, which they can then choose to spend on courses that may be online, an NCT group or at a Children’s Centre. There seem to be some drawbacks to this idea; first, it is not targeted in any way and so could mean simply subsidising the costs of NCT classes for better off parents. It is also interesting to note that a 12 hour post-natal parenting course as advertised on the NCT website costs £86.40 in London. However, the twelve hour parenting course which can be accessed with vouchers ‘costs’ £100 – in that it requires one

voucher worth £100. In effect, it seems to be over-subsidising courses for parents who may well be able to afford it anyway. Secondly, it is adding an extra layer of bureaucracy; a Children's Centre gives a voucher to a parent, the parent then brings the voucher to the centre and uses it to pay for a parenting course. The system at the moment that simply refers parents to free parenting classes if they are identified as being in need seems simpler and more sensible. Government may wish to consider reinvesting this money either in Children's Centres or childcare quality improvement.

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# 4

## Impact and Quality

The most important question for any publically funded service, especially in times of austerity, is “does it have a beneficial impact?”. Or, to be more precise, is the benefit proportionate to the expenditure; is the service value for money?

The original Public Service Agreement targets for Sure Start were very wide ranging: to improve social and emotional development, health, the ability to learn and to strengthen families and communities. The individual measures included reducing incidence of low birth weight, improving speech and language development and a reduction in child protection issues. Changes were introduced in 2002 to require centres to work to tackle joblessness among parents.

The Coalition has developed a new ‘core purpose’ statement for centres, which is included in the new statutory guidance

*The core purpose of Children’s Centres is to improve outcomes for young children and their families and reduce inequalities between families in greatest need and their peers in:*

- child development and school readiness;
- parenting aspirations and parenting skills; and
- child and family health and life chances.

While there is an increased focus on school readiness, there is still a lot of scope for broad interpretation, particularly given that they are also aiming to improve ‘life chances’ of children and families, but, all the same, such a definition has not been without its detractors. For example, in their written evidence to the Education Select Committee, the NUT argued that

*“School readiness is a phrase about which most early years sector professionals feel uncomfortable. The early years is a distinct phase of education and should not merely be seen as a stepping stone to ‘school’. Many professionals would consider that a child ready to move to year one would be able to socialise with peers, be comfortable with key adults, be able to happily separate from family members, be able to use the toilet independently and dress and undress independently”<sup>57</sup>*

However, we disagree with this analysis, and believe that the phrase ‘school readiness’ is both clearly understood and valuable as an overall descriptor. First, of course, it should be noted that all of the indicators quoted by the NUT above could easily fall into a definition of school readiness, which is a much more overarching phrase than one concerned purely with academic readiness. Moreover, it is

57 Written evidence submitted by the NUT to the Education Select Committee, ‘Foundation Years – Sure Start Children’s Centres’ inquiry, 2013

perfectly possible to view the early years as both an independent distinct phase itself, and a stepping stone to school, given that school level education is the next, mandatory phase for all children attending sessions in a children's centre. Overall, this clear statement of intent that Children's Centres focus on school readiness – seen in its broadest sense – is a welcome change.

The statutory guidance then goes on to flesh out how this core purpose can best be achieved

- Children's Centres help inform local authority assessment of strengths and needs across the area.
- Children's Centres provide access to high quality universal early years services.
- Children's Centres use evidence-based approaches to deliver targeted, family centred support.
- Children's Centres act as a hub for the local community, building social capital and cohesion.
- Children's Centres sharing expertise with other early years settings to improve quality.

### How are children's centres performing against this core purpose?

Performance of individual Children's Centres is assessed by Ofsted. Additionally, at a systemic level, there are a number of long running and detailed evaluations that attempt to ascertain the effectiveness of the programme and its value for money.

#### National Evaluation of Sure Start

The most comprehensive of all systemic assessments has been the National Evaluation of Sure Start (NESS), but it is worth pointing out before even looking into the findings that it faces some serious difficulties, even though the quality of the research was very thorough. In Sir Michael Rutter's words,

*'They have faced ridiculous government-imposed constraints but they have found good ways of making an impressive silk purse out of a sow's ear.'*<sup>58</sup>

One of the most obvious problems is perhaps that the evaluation was launched very soon after Sure Start Local Programmes (the first incarnation of Children's Centres, targeted in the most deprived areas) began, meaning that services had not necessarily had the time to 'bed-in'. Professor Melhuish (the lead researcher) points out that between programmes being given money and actually being up and running, there was normally an interval of about three years, due to time required to get planning permission, build premises and recruit appropriate staff. Hence they would not be fully operational until 2003; yet NESS began in 2001 hardly allowing for enough time to see centres' impact.

Additionally, the evaluation planned to look at how the programme affected an area holistically (as they were meant to). So, rather than, say, measuring the effect on parents who attended a certain parenting class, it looked at the outcomes for all children and families in an area without analysing who used what service. As a way of measuring impact of a joined-up service aiming to deliver many things, this made sense, especially as the research design was to compare these areas to other similarly deprived areas which did not yet have SSLPs. However, SSLPs were rolled out much faster than planned, meaning that the 'control areas' were effectively removed, and they instead had to use comparisons with children from

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58 Belsky J, Barnes J & Melhuish E, *National Evaluation of Sure Start, Does area-based early intervention work?*, Policy Press, 2007

the Millennium Cohort Study. Some changes could therefore be attributed to other trends occurring in the years between the births of each cohort. Finally, it was an integral part of the design of SSLPs that they were to be very localised, and not to follow a particular programme or ‘curriculum’ with families. To assess their impact is really to try and assess hundreds of different interventions amalgamated together.

Still, even with all these caveats, it is worth noting that the overall evidence base from NESS is mixed. Much of this stems from the first impact report. One of the most important findings was that **the level of reported service use in SSLP and non-SSLP areas was no different**. That families were not accessing a higher level of services could be counted as a failure, but also means that the effect of the centres will be minimal. However, allowing for this very important finding, **the study looking at the early impact of SSLPs was at best mixed**. It found that the mothers of 9-month olds experienced less household chaos and the mothers of 36 month olds showed less negative parenting, and less slapping and physical restraint of their children. However, when drawn out to actual impacts on the child, the children of non-teen mothers did show fewer behavioural problems, but children of teen mothers, workless families and lone mothers actually showed worse outcomes on verbal ability and behavioural outcomes.

The 2008 evaluation showed **a fairly modest positive impact of Children’s Centres**. It also found that there were less signs of negative parenting, and that the home-learning environment was better than in comparable families. The positive impact on the home learning environment was again found in the 2012 evaluation of the impact of Sure Start on seven year olds. However, in this report **no positive effects were found on children’s development**. The authors state that, in some studies on the home learning environment, many of the effects do not show until much later in a child’s life, so that could be one factor explaining the lack of effect. However, they also suggest that, as all children would have had equal access to nursery education when they were three and four, and of course three years of primary education, the effects of any Sure Start interventions may have been less marked. They suggest that it is early years education that will lift the ‘curve’, while more specific interventions are needed to lift the ‘tail’.

“The 2008 evaluation showed a fairly modest positive impact of Children’s Centres”

### Evaluation of Children’s Centres in England

It is still too early in the timescale of the Evaluation of Children’s Centres in England (ECCE) study to have any findings on the actual impact of Children’s Centres on children’s outcomes, but there have been very useful initial assessments. First, regarding staff qualifications, they found that the most common qualification for people working in Children’s Centres in the most deprived 30% of areas is NVQ level three (equivalent to A-level), with 50% of staff qualified to this stage. 7% have no qualifications, 2% have a level one and 9% have a level 2, while 31% had a higher level, including 8% at level 6 or above (equivalent to a bachelor’s degree). Sixty-five percent of centres employed at least one member of staff qualified to above level 6.<sup>59</sup> They also found that 18% of staff were volunteers. The majority of centre leaders (63%) hold the NPQICL, but looking at the other qualifications they hold, it is clear that this is often in addition to other professional qualifications; 27% have QTS,

59 Tanner E, Agur M, Hussey D, Hall J, *Evaluation of Children’s Centres in England, Strand 1: First Survey of Children’s Centres Leaders in the Most Deprived Areas*, Department for Education, 2012

19% have a health-related qualification, 15% have a social work qualification, 11% have Early Years Professional Status and 15% have an Early Years Foundation Degree

When looking at the kinds of services on offer in Children's Centres, the most common were shown to be stay and plays, evidence-based parenting programmes, early learning and childcare, developing volunteers and breastfeeding support. When it comes to evidence based-practice of centres in the most deprived areas, 47% delivered one of the evidence based programmes listed in Graham Allen's report, while 41% used different-evidence based programmes and 12% offered none. However it is important to also look at their findings on fidelity to the programme; 28 out of 34 centres reported they followed the Incredible Years programme 'in full' yet only seven were judged 'good' on the researcher rated 'fidelity-to-programme' scale.<sup>60</sup>

### Individual Evaluations

Returning to the assessment of quality on an individual basis, Ofsted has found that, of those they have inspected, 229 (13%) were Outstanding, 1,012 (56%) were Good, 530 (30%) were Satisfactory and 22 (1%) were Inadequate.

As part of the Ofsted framework, centres evaluate themselves on their impact. Ofsted's self-evaluation guidance, which was recently revised, has suggestions on the kind of evidence that Children's Centres should provide to show their effectiveness, and lots of these suggestions focus on outcome data. They suggest looking both at overall LA level indicators such as EYFS scores, as well as tracking individual groups of children and comparing them to children who didn't use the centre. Some centres that were visited during this research project are already quite developed in this respect; for example, one centre compares the EYFS profile score results of children who attend a certain number of sessions with the overall average in their area. They show some impressive results, with 12% more children, who were eligible for Free School Meals and attended 12 or more sessions of a particular type, achieving a good level of development compared to those who attended 11 or fewer. This example reveals some of the strengths and weaknesses that are still apparent even in the most rigorous evaluations. It is impressive though that the Children's Centre was recording all the data about these children, including the number and (crucially) type of session they attended. To find out what works, this is the level of information about centre activity that is required.

However, it also reveals some of the difficulties when it comes to analysis of that data. It is an established fact that high quality early education can have a significant effect on children's development, yet whether children were attending childcare, and whether it was high quality, was not one of the test controls. Additionally, there is a whole reception year before the EYFS profile is carried out, and EPPE informs us that a good or bad school can affect children's development a great deal. Again, the analysis did not control for this effect. Finally, while FSM eligibility is recorded, to determine the true impact of particular sessions many other family characteristics (such as maternal levels of education) and child characteristics (such as previous levels of development) would need to be taken into account.

While there is a general belief in the importance of valuing and assessing the impact that individual centres are having, there are real concerns about the ability of the sector to carry out these assessments, and the reliability of their findings.

<sup>60</sup> The fidelity-to-programme scale asked questions about frequency of checklist use, frequency of supervision, and external fidelity checks, described in full in: Goff J, Hall J, Sylva K, Smith T, Smith G, Eisenstadt N, Sammons P, Evangelou M, Smees R, Chu K, *Evaluation of Children's Centres in England (ECCE) Strand 3: Delivery of Family Services by Children's Centres*, Department for Education, 2013

Centres who we spoke to during this research voiced some of these concerns

*'So breastfeeding rates, use that as an example, by promoting breastfeeding to mothers in our ante-natal, post-natal classes and breastfeeding peer supporters being available in centres, posters, it's hard for us to quantify if that has made a difference to an increase in breastfeeding rates. You can say it's a contributing fact but it depends on what the rest of the world and each individual is doing themselves... it's not just CC's responsibility to improve these things, it's our partners responsibility as well. And things like breastfeeding, it's NHS, it's the breastfeeding network as well.'*

There are of course noble exceptions to this rule, notably Pen Green which has its own on-site research base. However, not every Children's Centre can have a high quality research institute, which is necessary for carrying out the kind of analysis that is needed.

What we know is that the theory of intervening early with children and families, to help parents protect their children from the risks associated with growing up in poverty, is very sound. In addition certain individual programmes have been shown in to be have a significant and long-lasting impact on children, and anecdotal evidence and Ofsted reports also identify many individual examples of excellent practice. However, for a scheme costing almost £1bn a year, the picture for Children's Centres at a national level is more difficult, and it is much harder to say whether they are universally having the kind of impact they could. To cite individual examples and pray for more time and argue against any funding cuts is an unsatisfactory response. In order to continue to develop a truly effective programme for the early years, government is going to need to strengthen accountability and understand what exactly works, or doesn't work, for individual centres. This needs to be done in two ways – greater clarity over performance, and greater clarity over funding, and this is the subject of the next Chapter.

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# 5

## Measuring Performance, and Payment by Results

So far, this report has looked at why support for families is needed, how Children's Centres developed to deliver that support, how they are currently faring, and whether they are having any effect. It is important to consider ways to improve the existing service on offer. To improve the service, much better data

around what is currently happening will be needed. There has been a drive towards measuring Children's Centres based on their outcomes; rather than simply looking at what they do, it is important to assess what they achieve for those that they see. In line with its introduction in other public service areas, the Government has made a commitment to trial

Payment by Results (PbR) in Children's Centres, and, in 2011, introduced a pilot scheme for 27 areas to trial both a system for PbR between the Government and the LA, and between the Authority and its centres.

There has, as yet, been no official report of the pilot scheme, so we cannot say for certain what the results were. However, in our research for this project, it was clear that there was widespread scepticism about its likely findings on efficacy, despite many contributors vigorously agreeing with the principle.

In evidence to the Select Committee Barnardo's noted some of the potential problems with PbR:

*'Barnardo's does not oppose the broad principles underpinning payment by results (PbR) mechanisms in public services. However, we believe the success of any PbR model hinges on the design of its key performance indicators (KPIs) that trigger payments. Designing KPIs for children's centres can be particularly challenging for two specific reasons:*

1. *There is a tension between the responsiveness of short-term impacts as a payment trigger and the desirability of long-term impacts and associated savings as an aim for early intervention. While meaningful PbR systems respond to short-term outcomes; as reflected in the core purpose of Children's Centres "to improve outcomes for young children and their families" evidence shows that the real improvement in outcomes, and crucially the cost savings, associated with early intervention, comes in the long-term into adulthood and later life.*
2. *The second challenge of PbR relates to balancing the proportion of centre income which is delivered by PbR. Using PbR to provide a high proportion of a centre's income is a risky strategy with the potential for closure of services. This would particularly affect smaller*

“To improve the service, much better data around what is currently happening will be needed”

providers, leaving fewer, larger providers and a reduction in choice. On the other hand, too low a proportion of funding via PbR risks it being irrelevant for improving service effectiveness.<sup>61</sup>

This assessment is one Policy Exchange strongly supports; and it is only fair to say that the pilot scheme for PbR set out to address exactly these issues. The feasibility study for the PbR pilot, written in 2011, set out some clear guidelines for how to judge whether indicators were appropriate, stating that they assessed each one on the following criteria:

- Relevance to policy objectives for Children’s Centres, with suitable evidence linking measures to desired policy outcomes.
- Measurable at the local authority level, with data available at suitable intervals.
- Attributable to local authorities, with the attribution mechanisms seen as transparent and considered fair by those involved in the PbR scheme.
- Robust in the sense that it does not create perverse incentives.

In light of this evidence, which shows that Children’s Centres have the potential to achieve more, and in light of the declining funding, Policy Exchange strongly supports the principle behind PbR, in line with the wider introduction of such schemes in other areas by the government – including through the Work Programme, the pilots on reoffending in Peterborough and Doncaster prisons and the Payment by Results for Recovery Programme. Similarly, the principle espoused in the Open Public Services White Paper seem a good basis for future policy; the Paper states that

*‘Payment by results will build yet more accountability into the system – creating a direct financial incentive to focus on what works, but also encouraging providers to find better ways of delivering services.’<sup>62</sup>*

However, it is important that the model can be proven in practice as well as in principle. An ineffective PbR scheme, as well as driving poor or perverse outcomes in the sector in which it is operating, has the potential to undermine the credibility of such an intervention across the public sector. Yet in the absence of any data on the outcomes of the Children’s Centre pilots, it is not possible to conclude definitively what their status may be. However, in light of the concerns raised – and especially if the nervousness in the sector around the design of the pilots is borne out by the official results – the government should be cautious about rolling out a ‘pure’ payment by results system at this stage. Instead, it would be preferable to take a step back and focus on the need for all centres to consistently record and track high value baseline data.

### Consistent use of baseline data

As noted above, there were numerous instances of centres collecting and analysing (to a greater or lesser degree of success) outcome data for their activities. One common theme was the complexity, and limited value of this analysis:

*‘Ofsted suggest comparing a sample who used services and didn’t; I’ve no idea how we’d do that. If we tracked all that we wouldn’t do anything. Analytical skills aren’t my staff’s forte, and I wouldn’t hire them for that.’*

<sup>61</sup> Written evidence submitted by Barnardo’s to the Education Select Committee, ‘Foundation Years – Sure Start Children’s Centres’ inquiry, 2013

<sup>62</sup> Open Public Services White Paper, HM Government, 2011

Ofsted themselves express doubt about Children's Centres ability in this area. In their evidence to the Select Committee, drawn from all of their reports of individual children's centres, they state that:

*'Inspectors are less positive about centres' ability to evaluate the impact of their work and to set targets for improvement.'*

At present, Children's Centres are being asked to undertake highly complex analysis, essentially conducting a small longitudinal study of children that may see only on a sporadic basis. While there was some impressive work being done, for example, the measuring of EYFS scores of children who had attended a certain number of sessions at the centre compared to those who had not (described in the previous chapter), these were a long way from the kind of controlled analysis that could actually prove whether an intervention had an effect.

In a sense, what is being asked of centres is to get them to run before they can walk: to undertake very difficult outcome analysis, when they are not yet in a place where they fully understand or are able to know what data needs to be collected, in a consistent and rigorous way, to provide a useful baseline. The evaluation report of the pilot for 2 year old childcare found that

*'all case study authorities had made some attempt to monitor the impact of the offer on children, families and providers, approaches for doing this varied from very informal methods to sophisticated electronic tracking, following two year olds through the remainder of the Early Years Foundation Stage (EYFS). There was a genuine interest, both among local authorities and providers, in evaluating the impact of the offer. However, in many cases there was a lack of expertise for doing this in an effective way, which resulted in the collection of data that lacked robustness and consistency and was therefore of limited use.'*<sup>63</sup>

A clear and consistent set of data is an absolute pre-requisite, before any kind of move towards judgement based on outcomes, or before the introduction of a payment by results scheme. The Audit Commission, in their guidance to Local Authorities as to how to set up such scheme, point out that

*'The ability to measure and evaluate outcomes and the overall success of the project is the essential ingredient for a successful PbR scheme. PbR can only succeed with outcomes that can be accurately measured to inform payments, so success measurement and evaluation cannot be left until the scheme is up and running. It is not advisable to begin a PbR scheme unless good quality data is available to help inform decisions about payments. It is also important to be able to allow for changes in outcomes that could happen anyway'*<sup>64</sup>

The current position is nowhere near this stage in the early years sector. Indeed, this is explicitly recognised by Ofsted in their framework for inspection. In the guidance for inspectors, commenting on the use of data, they state:

*Inspectors will want to find out whether centres can explain the relevance of the data they collect, show how the data are used, how data analysis informs decisions about the centre's activities and the impact these have on children's well-being and families' lives. In general, inspectors will look for:*

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63 Gibb J, Jellicic H, La Valle I, *Rolling out free early education for disadvantaged two year olds: an implementation study for local authorities and providers*, Department for Education, 2011

64 *Local Payment by Results*, Audit Commission, 2012

- data about the make-up of the area and locality
- a needs analysis of the families with young children in the area that identifies the families and young children most in need of intervention and support (target groups) and the types of services that will benefit them most
- contact data, including information about outreach visits and their impact
- participation data, including those that relate to the centre's activities as well as activities provided externally – this includes, for example, take-up of the free entitlement to early education; centres should be able to show the numbers of participants from particular groups, including target groups
- agreed targets and service level agreements with the local authority and key partners
- evidence about how participation and contact rates have improved over time, particularly in relation to target groups and those identified as being most need of intervention and support
- unemployment rates in the locality
- evidence of ways in which services and activities have been adjusted following consultation with parents, including those in the wider community who may not be using the centre
- data in relation to the key performance indicators provided by the local authority at reach area level.

**As there are very few standardised data other than the Early Years Foundation Stage Profile data, inspectors will use their professional judgement to assess whether data are sufficient to demonstrate how well the centre knows its community; whether it is meeting or exceeding its agreed targets, especially in relation to target groups and those families identified as being most in need of intervention and support, and whether its agreed targets with the local authority appear realistic' (our emphasis)**

Such an approach is, on the one hand, very commendable. It is in line with a wider model of freeing up children's centres to act in the best way for their local community, rather than being constrained by a top down list of services, and demonstrate the results in the way that suits them best. However, it is worth noting that it is also being used in a sector where, as has been seen, there is real confusion and a lack of expertise as to how to intelligently collect and interrogate data.

Comparing this to the list of data required by Ofsted that schools demonstrate during inspections, there is a clear distinction, with a list of consistent national data that all schools must show. This includes, in the category of pupil attainment alone:

**Pupils' progress in the last three years**, including that for looked after children, disabled pupils, those who have special educational needs and the most able. Evidence gathered by inspectors during the course of the inspection should include:

- the proportions making expected progress and the proportions exceeding expected progress in English and in mathematics from each starting point, compared with national figures, for all pupils and for those for whom the pupil premium provides support
- value-added indices for the school overall and for different groups of pupils and subjects
- other relevant indicators, including value-added data
- performance measures for the sixth form, 35 of which include success rates
- Early Years Foundation Stage Profile data
- use of data below National Curriculum Level 1, including the national data analysis
- any analysis of robust progress data presented by the school, including information provided by external organisations

**Pupils' attainment** in relation to national standards (where available) and compared with all schools, based on data over the last three years, noting any evidence of performance significantly above or below national averages; trends of improvement or decline; and inspection evidence of current pupils' attainment across year groups using a range of indicators, including where relevant:

- the proportion of pupils attaining particular standards
- capped average points scores
- average points scores
- pupils' attainment in reading and writing
- pupils' attainment in mathematics
- the outcomes of the most recent phonic screening check and any follow-up screening undertaken by the school
- attainment as shown by test and examination results available in school, but not yet validated or benchmarked nationally

**Difference in achievement** between those for whom the pupil premium provides support and other pupils in the school, including:

- gaps in attainment, in particular in English and mathematics
- differences in progress from similar starting points.

Importantly, these measures are all outcome based, rather than input based. Indeed, Ofsted specifically warn their inspectors against seeking any one method of teaching, for example. However, this is in a sector that is far more mature with its level of data tracking and recording. It also has a far more comprehensive coverage of the children within it, with children having to spend all day every day of term time within the school, whereas Children's Centres may see children only occasionally, or with varying intensity, for only a few years, when they are likely to also be attending early years education provision. It is not realistic, therefore, to expect the same level of sustained outcome data from Children's Centres.

However, this clear approach from Ofsted to schools does have two immediate benefits. First, it is easier to compare like with like. As well as Ofsted inspection grades – which, despite all best efforts around consistency, will always be subject to views of different inspection teams – parents and other interested parties have clear and consistent data with which to compare schools. This is currently much harder, or even impossible, within a Children's Centre setting.

There are therefore clear benefits in moving towards a system of greater consistency and clarity over the data gathered by Children's Centres. At this stage, as indicated above, it is not feasible to use outcome measures. Instead, the creation of a limited set of input measures would be beneficial. This may seem like a backwards step to some, moving from outcome measurement to input measurement, but it is more important to have sound data relating to inputs, especially if they are of a kind that are likely to be good indicators of future outcomes, rather than inaccurate measures of outcomes.

Such an approach echoes the suggestion made by Action for Children in their evidence to the Select Committee:

*'The components in the core offer provide a useful benchmark for measuring good practice: maintaining the balance between child, parenting and community indicators. We need to*

resource the measurement outcomes (rather than outputs) but recognise that this will need to be an iterative process, with indicators used to measure progress along the way’

Before it is possible to roll out a national model of PbR, the government will need a clear set of measures of efficacy. As discussed, it may never be possible to ascribe a set of outcome data that Children’s Centres are expected to report against, as schools do. But it is feasible – and indeed desirable – to develop a set of measures that can demonstrate, at a national level, to lead to these improved outcomes. For example, Policy Exchange strongly supports the indicator in the pilot around “Percentage of families in greatest need completing evidence based parenting programmes”. This is because there is good evidence to suggest that participation in these programmes will lead to improved outcomes, and it is therefore reasonable to measure centres on families participating in them, as a proxy for centres delivering improved outcomes for these families. As an aside, it is also important to note that many centres that stated they were fully implementing evidence-based programmes were found by ECCE researchers not to demonstrate true fidelity to the programme. Use of these programmes will only be a good indicator of likely positive outcomes if they are rigorously implemented. An example of a less useful measure is “Prevalence of breast-feeding at six-eight weeks”, as this is an outcome measure that is very hard to attribute to a Children’s Centre, since breastfeeding support provided in the hospital and at home by the NHS is likely to have played a greater role. It is also worth noting the risk of perverse incentives in data collection – for example, one children’s centre manager we spoke to identified that although ‘reach’ of deprived families was a consistent theme, if centres attracted families that were not in ‘their’ catchment area, then they would not be recorded as having any attendance at all.

“Before it is possible to roll out a national model of PbR, the government will need a clear set of measures of efficacy”

So the task for government is to come up with these input measurements. The PbR pilots will provide a valuable set of data in the first instance. The pilots have been tracking financial incentives against the following indicators

- Early Years Foundation Stage Profile with gap narrowing
- Take up of the two year old entitlement
- Take up of early education for disadvantaged three year olds
- Prevalence of breast feeding at six-eight weeks
- Percentage of families in greatest need completing evidence based parenting programmes
- Percentage of families with children under five years who are identified as being “in greatest need” and have “sustained contact” with children’s centres in the local authority area

Again, in the absence of the official evaluation of the pilots, it is impossible to say whether these indicators proved beneficial. But the pilots will be of value in any scenario; if these indicators are shown not to be of value, that in itself is a useful finding.

Furthermore, this will be an iterative process, as noted above – indicators will likely be tested, found to be beneficial or not, and updated and improved.

This process will be expedited by open access to the raw data being supplied by Children's Centres for researchers to track.

For this reason, data collected by Children's Centres should be collated so that it can be analysed and compared at a national level, either by central government, organisations such as the EIF or other research institutions. In a similar way to the National Pupil Database, this data could be made publicly available for research, upon application and with proper privacy policies in place, to draw on expertise wherever it exists to judge whether Children's Centres are doing the right things.

Moving to a national system of consistent data reporting will have a number of benefits:

- For government – both local and national – it will allow them to develop a consistent picture as to what interventions are working, and which are not. This will aid both Local Authorities in their commissioning decisions (discussed more below) and national government as it considers future funding for the early years
- For parents, it will allow them to compare on a truly like for like basis how effective centres are, by seeing their performance on a consistent basis, and will allow them to exercise some pressure for improvement for their local centre if needed
- For centres themselves, it will alleviate the burden of having to design their own data collection metrics and studies. With a consistent set of data to be gathered, it is likely that there will be greater use of the type of management information systems common in schools to track and analyse data for internal and external purposes, and which has been so beneficial in driving up performance by allowing settings to compare themselves against their peers and recognise best practice

### Recommendation 3:

**Before any move towards PbR can be considered, the Government should commit to ensuring the quality of baseline data. All Children's Centres across the country should have to record, in a rigorous fashion, an agreed set of national input measures, which have been shown to be likely indicators of good outcomes for children. This data should be made publicly available for researchers, as it is with the National Pupil Database, to support a move in the longer term towards outcome based measures.**

### Use of Data for Commissioning

As noted above, a focus on a clear system of baseline data will allow for a far clearer understanding of what works within Children's Centres. Although it is not our intention to suggest formally tying the results of this input data into evaluation through PbR at this stage (though using data to inform payment should be the clear direction of travel, as set out above), it will be of use in LA commissioning decisions, (when combined with clearer transparency over funding, covered in the next chapter). For example, we would expect LA commissioning discussions to explicitly look at the extent to which their current provider(s) were engaging with hard to reach cohorts, and delivering evidence based interventions. Having all their providers recording consistent information will make this job easier. It

will also aid comparisons for new entrants into a market. At present, a larger provider such as Barnados or Action for Children can and does create high quality and nuanced data around the impact of their centres. But if this data is not directly comparable to what another provider is doing under a different commissioner, it may have limited benefits.

Unless a commissioner can directly compare an incumbent to a new provider, a combination of natural caution, inertia, and nervousness about the justification for such a decision should it be challenged may combine to tell against a change of provider. This may particularly be the case when a would-be new provider is a smaller charity or other provider that does not have the resources to develop its own standalone set of metrics with which to rigorously demonstrate impact. A consistent framework, which in turn stimulated the development and use of management information software systems as seen in schools, would help to level this playing field. There is a risk to such standardisation, particularly when it comes to smaller local providers; they may have local knowledge and ability to engage with families and volunteers that will not be covered by these metrics. However, this does not mean the additional value that they may be able to add cannot be taken into account; they will still, of course, be able to include this in any pitch they make to commissioners.

If Children's Centres in any LA are not performing well, their first priority should be to work to drive up quality. This could mean bidding for money from the quality improvement pot of funding as suggested in the previous chapter, or availing themselves of the services of other providers or LAs who have successfully bid for the funding. If unsuccessful in doing so, it will be necessary for them to consider commissioning out, or re-commissioning, their Children's Centre provision, using the consistent data that has been recommended. The data, therefore, acts as a consistent spotlight on performance, allowing quality to rise to the top.

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# 6

## Transparency of Funding

It is not only data about the performance of centres and their activities that is essential. Also needed is significant transparency on how they are funded, to allow for proper scrutiny on which centres (and centre providers) are delivering value for money, and which are not, and how LAs are directing their resources.

While s251 returns provide information on how much LAs are spending on Children's Centres in total, and how much of that is spent on centres delivered by the LA or other providers, this is a long way from the kind of information required for thorough scrutiny. It is worth noting that problems with the accuracy of these figures have been reported, with Channel 4's FactCheck finding that some LAs had misreported by several million pounds.<sup>65</sup>

In our FOI request, Policy Exchange asked LAs to provide a breakdown of expenditure (for example, into staffing and rent). However, many stated that this information was commercially sensitive and so could not be released, or simply didn't reply. If we compare this to, for example, the school level funding data available in the performance tables that enable anyone to see exactly this sort of expenditure breakdown, alongside the per pupil spending, it becomes clear how much more challenging it is to track expenditure on Children's Centres. A 2009 report from the then DCSF outlines how far away we are from this sort of open information:

*'In our view, a national financial benchmarking system is therefore not a viable option right now, as a number of basic requirements, such as consistency of structure, service offer and financial reporting do not exist. Recognising that a variety of structures and levels of provision is likely always to be a key element of the Children's Centres approach, we wish to emphasise that designing a system to cope with these variations would be a significant challenge.'*<sup>66</sup>

It is possible to see that this causes difficulties for LAs themselves as they attempt to gain a better understanding of their own provision and efficiency in delivering services. For example, Oldham has a document analysing the cost:benefit model of their Children's Centres, and note that their cost comparisons are based on the three LAs who responded to their request for information.<sup>67</sup> This seems a fairly burdensome way to have to proceed.

### Funding per service

It is also important, for cost:benefit analysis, to work out not only how much each centre is spending but also how much each individual service costs. However, this has proved extremely difficult for centres to do, and has reportedly not been a primary concern.<sup>68</sup> It is interesting to note that the figure provided by the National Audit Office (NAO) in 2009 for the cost per hour per user for a stay and play group

<sup>65</sup> Worrall P, 'How dodgy stats could decide our children's future', Channel 4 FactCheck Blog, 2011

<sup>66</sup> HEDRA, *Sure Start Children Centres, Financial Benchmarking to ensure value for money*, Department for Children, Schools and Families, 2009

<sup>67</sup> Dennis J, *Children's Centres in Oldham: Options Review*, Oldham Council, 2011

<sup>68</sup> National Audit Office, *Sure Start Children's Centres*, Memorandum for the Children, Schools and Families Committee, 2009

was £1.60, whereas in the recent ECCE report the costs were £14 per user hour. Looking at this more closely, it is easy to see that quite different things are being measured; researchers from Frontier Economics (who carried out this strand of the ECCE project) explain that this £14 includes a share of general running costs for the centre; if this is excluded, the cost comes down to £9 an hour. It also includes the cost of services provided by other organisations and volunteers, and specific venue costs, which when excluded bring the total down to £3.90 an hour. This is a mean value, and when the median is used (as it is by the NAO) the figure is £2.71. While this is still a reasonable discrepancy, it is much less than it initially seems. The ECCE researchers suggest possible other factors; for example, it is unclear if the NAO includes staff time for clearing up and preparing in their costs. Another factor may be that volunteers tend to be used for play and stay sessions in particular, and this is not a 'cost' included in the NAO report.

These two major studies show how what is apparently the same calculation (i.e. 'cost of a service per hour') can, in fact, mean a variety of things. It can include all the costs associated with delivering that service (perhaps the most useful for a true cost:benefit analysis) or just the direct centre employed staff costs. This highlights the complexity for Children's Centres in calculating their own costs in a useful way, and that even if individual centres do produce these figures it would be necessary to be very careful when comparing them to make sure we were indeed comparing like with like.

Altogether, this leaves a very unsatisfactory position from a transparency point of view. In order to determine value for money, it is important to know not just how many centres are open, nor even what the aggregate impact might be, but whether each individual centre is operating efficiently.

In their policy document on the future direction of early years services, the DfE and DH made an explicit commitment:

*'To support transparency, local authorities are now required to provide information about their expenditure on Children's Centres, including information about the proportion of funding spent through voluntary and community sector providers; and the proportion spent on management costs. The Department for Education will publish information on planned local authority expenditure on Children's Centres in 2011-12, early in autumn 2011. Local authorities may also wish to make local data available to families and communities. Together with payment by results this will serve to improve local accountability'<sup>69</sup>*

In our view, this does not go far enough, certainly in comparison to other public services, as it still leaves it very difficult to compare different providers and the distribution of resources within an LA.

This is unsatisfactory from the point of the taxpayer or the commissioner or providers themselves:

- For taxpayers, they are entitled to a clear sense of what is being spent in their name, and the ability for services to be held accountable for this spending and the outcomes it delivers.

“In order to determine value for money, it is important to know not just how many centres are open, nor even what the aggregate impact might be, but whether each individual centre is operating efficiently”

69 Department for Education, *Supporting Families in the Foundation Years*, 2011

- For commissioners, it is another barrier to the effective comparison of providers. At present, Ofsted scores of providers represent one of the only comparable data points. Even if the new set of consistent data recommended previously in this report were rolled out, this would still only tell part of the picture (albeit much better than at present) – this is the activity being delivered. For a full assessment of value for money, commissioners need to know the expenditure with which these activities are being delivered. That provides them with a clear comparison and the ability to seek better value for their own taxpayers and families by commissioning high quality services at a lower cost.
- For providers, it is a barrier to their own self improvement. Using schools again as a parallel, we can see how benchmarking of schools in similar circumstances (known as Families of Schools) demonstrates wide variation in the expenditure incurred to deliver similar outcomes. Possession of this comparable data drives improvements, as providers seek ways in which to imitate their more financially prudent colleagues. It also acts as an internal yardstick within a provider, against those who believe that no improvements can or need to be made. The example of Oldham cited above shows how challenging this can be for them currently.

#### Recommendation 4

**Government should make a renewed commitment to the collection and publication of financial data (so far as is possible without breaching commercial confidentiality with regards to service lines) so that the individual Children’s Centre spend is available to enable examination of whether they are delivering value for money. In addition, at the LA level, two areas where government may wish to mandate and publicise data are: the proportion of total LA spend on Children’s Centres that is spent with providers servicing the most deprived, and the proportion of total spend on Children’s Centres that are rated Good or Outstanding.**

From a central government perspective, monitoring these data over time will provide a helpful yardstick with which to track the efficacy of local commissioners in spending their funding for Children’s Centres on the most deprived, as is the clear policy intention.

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# 7

## Quality of Practice

This report has concentrated on some of the structural changes that will allow for greater scrutiny and understanding of whether Children's Centres are improving things for children, and if so how. This is essential to ensure that funding is directed to where it is needed, through centres that will be able to deliver effectively, by ensuring that providers and LAs can be held to account. But, throughout the course of our visits to Children's Centres, it was clear that there were a number of recurring difficulties that are limiting centres chances of being effective, and it is worth looking at some practical steps that could help to alleviate these difficulties.

### Leadership and Governance

The most important thing about any individual Children's Centre is the quality of the staff; their expertise, dedication and care are the things which will make the most difference to children and families. It is worth saying at this point that all the centre workers encountered during our visits were compassionate, sensible and kind, and these vital characteristics cannot be measured by qualifications or training. But it is important to recognise that Children's Centre staff, and particularly leaders, are doing a difficult and complicated job which often requires a great deal of professional skill. The ECCE study found that volunteers make up 18% of staff in the most deprived centres, which may be a very sensible way of providing a service without the same costs, but it is essential that we think carefully about when volunteers are indeed able to have a positive impact, and make sure they are not being used to plug the gap where professionals are needed. As LAs look to direct more resources to deprived areas, this may mean they can afford more professional staff in those areas.

Perhaps most importantly, there needs to be greater focus on centre leaders. Ofsted inspections show that 14% are judged Outstanding, 59% Good, 24% Satisfactory and 2% Inadequate.<sup>70</sup> This is roughly similar to judgements on school level leadership. While the National College does have the National Professional Qualification for Integrated Centre Leadership (NPQICL) and the Children's Centre Leaders Network (a way for centre leaders to share best practice and support each other), this is fairly minimal in comparison to the opportunities for those looking to advance in teaching: Future Leaders, Head Start, Teaching Leaders to name just a few, alongside ones specifically targeted at BME teachers. Future Leaders,

“It is important to recognise that Children's Centre staff, and particularly leaders, are doing a difficult and complicated job which often requires a great deal of professional skill”

70 Ofsted, *The Annual Report of Her Majesty's Chief Inspector of Education, Children's Services and Skills 2010/11*, 2011

for example, is a three year programme that offers some residential training, a placement in a school with a mentor and then deployment in a challenging area. There are also extensive peer to peer networks, such as Teaching Schools and Local and National Leaders of Education, which could be very helpful to both Children's Centres and nurseries. Additionally, while some LAs offer training to members of Children's Centre advisory boards, there is no national equivalent for Children's Centre Advisory Boards to the Chair of Governors' Leadership Development programme.

The majority of centre leaders (63%) hold the NPQICL, but this is often in addition to other professional qualifications; 27% have QTS, 19% have a health-related qualification, 15% have a social work qualification, 11% have EYPS and 15% have an Early Years Foundation Degree. Whilst a diversity of backgrounds is to be welcomed, it means that managers without experience in particular areas may struggle to co-ordinate the wide range of activities in Children's Centres. It also means, as indeed some of the managers we spoke with candidly admitted, certain centre managers are likely to be much stronger in their original area of expertise and perhaps struggle to get to grips with areas that are new to them; for example, social care duties for someone with a background in education. They may turn to advisory boards for support in these areas, but while the majority of advisory boards have representatives from health (89%) or educational institutions (87%), it is worth noting that less than half have JobCentre Plus (48%) or Social Care services (47%) representation.<sup>71</sup>

Children's Centres are very complex organisations, with a great deal of responsibility across different fields, so the leadership and governance is particularly important. Yet the level of training, or peer to peer networks, available in the early years is minimal in comparison to the schools sector.

### Recommendation 5:

**The National College should develop leadership programmes for future Children's Centre managers, based on successful models employed in the school sector such as Teaching Leaders. Children's Centre advisory boards should be encouraged to have a representative from health, social work, education and JobCentre Plus. Members should be eligible for the Chairs of Governors' Leadership Development Programme.**

### Programme Quality

When it comes to specific interventions delivered, there are many factors which can affect appropriate delivery. The first is selection of an appropriate programme, and the ECCE survey found that of centres in the most deprived areas, 47% delivered one of the evidence based programmes listed in Graham Allen's report, while 41% used different evidence-based programmes and 12% offered none<sup>72</sup>. Those 41% of centres may still be using effective programmes, and the 12% may use equally well designed programmes of their own devising, but it is important that there is more transparency about how Children's Centres select their programmes. Some organisations market their interventions very heavily, and it is therefore important to ensure that managers' judgments are based on clear understanding of the facts and correct interpretation of evaluations rather

<sup>71</sup> Tanner E, Agur M, Hussey D, Hall J, *Evaluation of Children's Centres in England, Strand 1: First Survey of Children's Centres Leaders in the Most Deprived Areas*, Department for Education, 2012

<sup>72</sup> Tanner E, Agur M, Hussey D, Hall J, *Evaluation of Children's Centres in England, Strand 1: First Survey of Children's Centres Leaders in the Most Deprived Areas*, Department for Education, 2012

than branding or marketing. This is a clear role for the EIF, although they are not alone in this field. The National Institute of Health and Clinical Excellence has this year produced guidelines for the use of parenting programmes in the cases of children with conduct disorders.

Additionally, when it comes to evidence-based programmes, it is important not to assume that simply running one is enough – it is essential to ensure that there is fidelity to the original design. This means not only ensuring that you deliver the intervention to the people it has been proven to help, but also that those who are trained to deliver it rigorously follow the original curriculum. The ECCE research found that while 28 out of 34 centres reported they followed the Incredible Years programme ‘in full’ only seven were judged ‘good’ on the researcher rated ‘fidelity-to-programme’ scale.<sup>73</sup> This suggests that centres may be struggling with the idea of fidelity, and what exactly it means to follow a programme ‘in full’. While the new Ofsted guidance for Children’s Centres self-evaluation encourages ensuring the qualifications of staff, it is critical to remember that even when staff are qualified, there needs to be performance management and observation to ensure that they are delivering programmes correctly. It is vital that, in the focus on outcomes evidence, rigorous evidence on quality of delivery is not pushed aside.

The most appropriate body for judging whether a centre is delivering a programme with fidelity is likely to be Ofsted. However, there has been some concern about their efficacy at judgments in the early years sector, with one report showing their judgments for childcare of young children did not match with internationally used quality measures (they are alone in this; the Care Quality Commission recently redesigned its inspection model to include more professional inspectors after concerns were raised about the quality of inspection teams).<sup>74</sup> While they will currently note if an evidence based programme is in place, they are not expected to judge if it is being implemented correctly; this is quite different to, for example, judgements on phonics in schools where inspectors can complete modules in phonics teaching so they understand good practice. Ofsted, with help from the EIF, should play a role in determining whether programmes are being implemented with fidelity.

## Recommendation 6:

**The EIF should produce guidance on the most thoroughly proven interventions, and work with Ofsted to help inspectors understand how practitioners should be implementing these programmes, and what to look for to ensure they are doing so with fidelity.**

## Working Together

One frequently cited difficulty was in the relationships between the different agencies working together in Children’s Centres. This is a perennial problem for any public service tasked with inter-agency working, and much of the time the efficacy of these relationships comes down to individuals and their commitment; it is easy to say ‘people must work better together’ but it will not necessarily achieve much. However, bearing that in mind, now may be a time to give a push on inter-agency working when it comes to JobCentres Plus. This was consistently seen as one of the weakest relationships by those we interviewed, and importantly

73 The fidelity-to-programme scale asked questions about frequency of checklist use, frequency of supervision, and external fidelity checks, described in full in: Goff J, Hall J, Sylva K, Smith T, Smith G, Eisenstadt N, Sammons P, Evangelou M, Smees R, Chu K, *Evaluation of Children’s Centres in England (ECCE) Strand 3: Delivery of Family Services by Children’s Centres*, Department for Education, 2013

74 Mathers S, Singler R & Karemaker A, *Improving Quality in the Early Years: A comparison of perspectives and measures*, University of Oxford, Daycare Trust and A+ Education Ltd, 2012

the reason given was often that JobCentre staff did not feel there was enough demand for their services in Children's Centres.

Given the new requirements announced for lone parents to have to undertake some form of work related activity when their youngest child is three years old, now may be a real opportunity for LAs to encourage JobCentre Plus to make use of Children's Centres when they are engaging with lone parents. DWP ran a pilot of placing 'work-focused services' in Children's Centres and found that Children's Centres could be 'ideal venues' for targeting poor families if the right approach was taken.<sup>75</sup> A survey from 2009 found that 29% of all users of Children's Centres were lone parents and 60% of those parents engaging with the pilot were lone parents.<sup>76, 77</sup> Lone parents in the pilot described how Children's Centres were more accessible; they are more child-friendly, usually with on-site crèches in case parents need to bring their children. As one parent put it

'It's more convenient as I come to the nursery anyway. I can just pop into the office and speak to [named Jobcentre Plus Personal Adviser]. You get a horrible feeling sometimes when you go to the Jobcentre and you don't get that here because you're in a safe environment. You can pop in and it's child-friendly.'<sup>78</sup>

In light of the new requirements for lone parents, it is even more important for JobCentre Plus to engage with Children's Centres. As noted above, JobCentre Plus representation on advisory boards is one of the lowest, so efforts to encourage them to join boards may help with this engagement.

## Training

However, it is essential that more concrete ways to try and improve inter-agency working are considered. One problem often encountered relates to trust. When it came to schools, for example, one centre described

*'for some (teachers) it's a case of 'no no no, there's a clean slate when I come in and I'll make my own judgements' when really we have a wealth of information about this child and you know we really need to share it with you.'*

Reception class teachers, rightly or wrongly, may have limited respect for the judgment of early years' workers who know the children well, although as the centre manager went on to point it, it may also have to do with the inefficient ways of sharing that information

*'But find us a way of sharing it that's not going to be a this size a file that the poor teacher has to wade through for thirty children, I don't think so they haven't got the time'.*

Professionals from the school and early years sector should be able to share a common language about children's development, and trust the information they are given.

## Recommendation 7:

**Where possible, joint training for professionals from education, social work and Children's Centres should be offered, in order to develop the relationships of individuals, but also to reassure professionals from different backgrounds about the quality of their colleagues in different areas.**

75 Marangozov, R And Stevens  
H *Work-focused services in children's centres pilot: final report*. DWP Research Report No. 772, 2011

76 Thornton A, Dalziel D, *Sure Start Children's Centres, Survey of Parents, Department for Children, Schools and Families, 2009*

77 Marangozov, R And Stevens  
H *Work-focused services in children's centres pilot: final report*. DWP Research Report No. 772, 2011

78 Marangozov R, Stevens  
H, *Work-Focused Services in Children's Centres Pilot: Final Report, Department for Work and Pensions, 2011*

## Data

So far this report has discussed the importance of rigorous data management in order to show the outcomes of Children's Centres. However, data is also essential for performing their day to day role, particularly when it comes to notifications about new births in an area. At the moment, every hospital will notify the Director of Public Health about births and every birth must also be registered within 42 days. However, many LAs struggle to share this data with Children's Centres because of data protection issues; while there are ways to get round this, such as getting new mothers to sign consent forms given by health visitors saying that their data can be shared, there are also systems already in place which can be used, such as the 'Tell Us Once' service, where a Registry Officer will inform the LA of any new births and this information can then be passed on to Children's Centres. While it is also feasible for the registration of births to happen in Children's Centres, it is also possible to make use of existing services.

It is not only with regards to health that good data-sharing is important. Managing the transition to schools is also very important for Children's Centres; as has been discussed already, improving training may help with the relationships between reception teachers and Children Centre staff. However, our report *Quality Childcare* recommended that the integrated check for two and a half year olds (which Children's Centres often deliver) should be used by schools as a useful baseline indicator of development.

### Recommendation 8:

**Every LA should have the 'Tell Us Once' option and use it to inform Children's Centres of new births**

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## Conclusion

The case for evidence-based early intervention has been made well in the UK, and has cross party political support underpinning the concept. Given there is a well-established network of Children's Centres, which on the whole enjoy good name recognition and broad public support, they are a logical place to deliver much of this intervention – though it is absolutely right, in line with the Government's broad principles, that Local Authorities retain the flexibility to deliver early years support and intervention through other routes and institutions as well.

However, so far, the strong evidence base for what works to support children and families has not always translated into practice on the ground – not helped by continually shifting political goalposts on their purpose and duties – and the national evaluations of Children's Centres show mixed results. This report argues that what is needed is for Children's Centres to focus on a core purpose of providing high quality interventions for families and children in greater need, and combine this with greater transparency on exactly what each centre does, how much it spends, and what the outcomes are. This will allow for a clear demonstration of efficacy and value for money, and ensure more optimum use of resources in this vital stage of child development.



Providing the right support to children in the early years can dramatically improve the life chances of our most disadvantaged children. The 3,000 Children's Centres in the country offer a potential route to deliver this support. This report looks at the current funding, structures and practices in Children's Centres today, and how they have changed over time, to examine whether they are fulfilling their potential to change children's lives.

Policy Exchange argues that for Children's Centres to be truly effective they will need to be more targeted on families who can benefit from them most, better data will be needed to judge their impact and value for money, and steps will need to be taken to ensure Children's Centre staff have the tools and training they need to deliver a good service.

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Policy Exchange  
Clutha House  
10 Storey's Gate  
London SW1P 3AY

[www.policyexchange.org.uk](http://www.policyexchange.org.uk)