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Cost Effectiveness in Sure Start Local Programmes:
A Synthesis of Local Evaluation Findings

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1. INTRODUCTION

1.1 Sure Start Local Programmes (SSLPs) are a key part of the Government's effort to improve the life chances of children in areas of greatest challenge and need, with the aim of halving child poverty by 2010. By 2005-06 over £1.5 billion, of Government regeneration expenditure, will have been allocated to ensure Sure Start objectives are met. As SSLPs have evolved, since 1999, so has public policy and more recently SSLPs represent integrated approaches to service delivery specifically aimed at contributing to the 5 outcomes for children, articulated in Every Child Mattersⁱ to support children from birth to 19 years old to:

- Be healthy
- Stay safe
- Enjoy and achieve
- Make a positive contribution
- Achieve economic well-being

1.2 This framework provides existing services, agencies and regeneration programmes an opportunity to work towards a common and joint agenda to improve provision for children and families. The government's vision is to achieve a Sure Start for all children by providing integrated and high quality services, so they can grow up to contribute positively to their communities and society as a wholeⁱⁱ. This includes promoting integrated services, free part-time early education for 3 and 4 year olds and at least 250,000 new childcare places by March 2006. The Sure Start vision specifies outcomes for not only children but also for parents and communities:

- Better outcomes for all children, and particularly, closing the gap in outcomes between children living in poverty and the wider child population. Children (400,000) had access to 524 SSLPs by March 2004.
- Better outcomes for all parents, increased opportunity to effectively participate in the labour market, ensuring pathways out of poverty and strengthened families and communities

- Better outcomes for communities, including less crime, higher productivity, a stronger labour market and the building of a civic society

1.3 Sure Start was an extensive and new early intervention programme. One of the aims of Sure Start was to generate improved levels of social capital and self-confidence to tackle social exclusion within deprived neighbourhoods. Initially, in 1998 SSLP's objectives were to:

- Improving social and emotional development
- Improving health
- Improving children's ability to learn
- Strengthening families and communities

1.4 The 1st round of SSLPs began in 1999 and started to work towards these 4 objectives. NESS researchⁱⁱⁱ confirmed that SSLPs represent an intervention unlike almost any other undertaken devoted to enhancing the life prospects of young children growing up in disadvantaged families and communities. Sure Start was different in that it was area-based, with all children under 4 years and their families living in a prescribed area serving as the 'targets' of intervention irrespective of the actual degree of deprivation. Each SSLP aimed to improve existing services and create new ones as needed in ways that were respectful, inclusive, involving, participative and responsive to the needs of parents. This approach was to be different to past professional practices that were more hierarchical and formal with expertise. Parents and community control were to be facilitated in the development of new partnerships with providers.

1.5 There was no specific model of how local services should be changed or what exactly should be delivered. The only directive was that partnerships were to provide local community influence on the design of each SSLP to implement interventions to support the following core services:

- Outreach and home visiting
- Support for families and parents

- Support for good quality play, learning and childcare experiences for children
- Primary and community health care and advice about child health and development and family health
- Support for people with special needs, and helping access to specialised services

1.6 NESS found some SSLP implementation effects which will impact on cost-effectiveness at this early stage. Health-led SSLPs for instance, appear to get services up and running sooner, as indicated by their quicker rate of spend. NESS also found that it takes time for SSLPs to develop and that it is not until the 3rd financial year of operation that most SSLPs are spending allocated funds to an extent indicating widespread effects on services^{iv}. Sure Start programmes are required to ensure that they are delivering good value for money and the principles of Best Value apply^v.

1.7 Originally 'Best Value' was developed as part of the Governments proposal for modernising local government and useful also for applying to other public services. The focus of Sure Start cost-effectiveness is on the achievement of the public service performance targets and the costs of achieving them. At the national level cost-benefit and cost-effective analysis concentrates on the implementation and impact of Sure Start^{vi} while at the local level there is more of a focus on expenditure for each of the PSA targets. Box 1.1 details the differences between the national and local level Sure Start cost-effectiveness evaluations.

Box 1.1

Differences between cost-effectiveness evaluation at the local evaluation and for the National Evaluation of Sure Start

The national and local evaluations differ in terms of scale and scope, but the main difference is they are trying to answer different questions:

1. Local evaluations are funded and managed by individual SSLPs for process and short-term outcome evaluations. They are designed to find out how well services are working and in what circumstances within the local context, and local evaluations are primarily interested in issues relating to service delivery, productivity and cost-effectiveness.
2. The National Evaluation involves a long term, comprehensive evaluation of SSLPs throughout England. This includes how they are being implemented, their impact on outcomes for children, families, and communities and the economic cost of the initiative as a whole. The evaluation of cost-effectiveness at a national level draws on information about costs from the Sure Start Unit. Key questions for NESS are:
 - Do existing services change?
 - Are delivered services improved?
 - Do children, families and communities benefit?
 - Are there significant overall effects on being in an SSLP?
 - Do effects of SSLPs vary by demographic subgroup (i.e. teen parents, lone parent)?
 - Why are some SSLPs more effective in achieving outcomes than others?
 - Do aspects of programme implementation affect SSLP efficacy?

See NESS reports for early findings of these and other questions regarding the impact of Sure Start^{vii}

1.8 SSLPs were therefore required to undertake local evaluation examining the process of service delivery and the impacts and outcomes that have resulted from their activities. As a minimum, SSLPs were advised to assess the cost-effectiveness of the following core services, at 18 months-2 years after the initial implementation^{viii}:

- Universal home visits: Antenatal visits; 2 month visit; 18-24 month visit
- Childcare: Full day care; Crèche sessions; Playgroups.

1.9 NESS acts as a repository of all evaluation outputs from the 524 SSLPs through the NESS website (www.ness.bbk.ac). Synthesis reports bring together local evaluation findings from the available reports on a particular theme. Earlier NESS synthesis reports are available on the NESS website and include:

- Speech and Language services in Sure Start Local Programmes Findings from Local Evaluations
- Partnership Working in Sure Start Local Programmes Early Findings
- Nutrition and breastfeeding support in Sure Start Local Programme evaluation findings.

1.10 Section 3 provides information on SSLPs cost-effective work but first of all the next section looks at why it is important for SSLPs to include cost-effective plans in local evaluations.

2. WHY IS IT IMPORTANT FOR SURE START LOCAL PROGRAMMES TO DO COST-EFFECTIVE EVALUATIONS?

2.1 Introduction

2.1.1 In 2005 the NESS Research Team produced reports on the implementation and impact of Sure Start and until this point there had been very little understanding of what the Sure Start initiative had achieved. One key finding was that there were very low levels of cost-effective activity^{ix}. This section emphasizes the importance of cost-effective evaluations by looking at the utility of SSLP cost-effective findings, considerations such as cost variability, efficiency and effectiveness.

2.1.2 Many people find the term cost-effectiveness frightening, because they believe it is about saving money, often by cutting corners. Sometimes in order to achieve a particular purpose, more input may be needed. In other cases, more money does not produce a better outcome, and we could do just as well by spending less. Cost-effectiveness, a form of economic analysis and evaluation^x, helps to inform the trade-offs that have to be made when it comes to deciding how to allocate taxpayers' money in public expenditure. It is about ensuring that the money we spend achieves its purpose.

2.1.3 Cost-effective analysis at the local level can, therefore, be a management tool to provide assistance in understanding how resources, the inputs, are allocated in specific localities. All resources – money, people, skills, buildings – have alternative uses. Unless resources are being used cost-effectively in one use, then better outcomes for children, families and the wider community could be achieved by using them differently. The responsibility to use resources efficiently and effectively stems from this principle.

2.2 Efficiency and effectiveness

2.2.1 In looking at the cost-effectiveness of the use of inputs there are three different ways of looking at the issue: economy, efficiency and effectiveness, known collectively as the 'three Es' (see Box 2.1). These are familiar concepts in

local government and health service Audit Commissions as part of the approach to measuring 'Best Value'. Efficiency and effectiveness are equally important and cost-effectiveness evaluation at the local level should consider both.

2.2.2 Efficiency considers the extent to which services are delivered using the minimum necessary level of resources; effectiveness considers whether or not a service is actually achieving what it sets out to achieve. A programme providing 10 minute long home visits might appear to be very efficient, delivering visits at a low unit cost, but the visits might be too short to achieve anything. In other words, they would not be effective in terms of outcomes. The purpose of SSLPs are to implement good quality services that can deliver the necessary outcomes. Efficient but ineffective use of resources does not represent value for money.

| Box 2.1 The Three Es^{xi} |
|--|
| EFFICIENCY: The use of the minimum level of resources necessary to achieve the desired outcome |
| EFFECTIVENESS: The achievement of the best possible outcome for a given level of resources |
| ECONOMY: The use of as few resources as possible |

2.3 Utility: How can SSLP cost-effective findings be used?

2.3.1 While it is important for SSLPs to provide evidence of their effectiveness for efficiency and accountability purposes, it is also important to provide evidence of sustainability in the transition to Children Centres. Cost-effectiveness evaluations have the potential to increase understanding of the purpose, implementation and outcomes of interventions. Prior to Sure Start there has been a useful collection of good practise examples such as 'child-centred teams', 'Golden nuggets' and 'what works?' However, the evidence base for cost-effected interventions, to support disadvantaged communities, and specific

subgroups such as children of ethnic minority families, young parent families, and fathers is lacking. Understanding how to engage and support families with young children has been pivotal the Sure Start aim and good practise can be identified via robust cost effective evaluation results.

2.3.2 Various interventions, some new and innovative, have been implemented according to local Sure Start circumstances and priorities. Most interventions are new to Britain and/or new to deprived communities and therefore, their effectiveness and efficiency needs to be measured early on. Once cost-effective results are produced the sustainability and sharing of provision can follow.

2.3.3 A wide diversity of SSLPs have evolved. They are diverse in what they do but also in their historical local circumstances which range from:

- A variety of existing services (see Box 2.2)
- A legacy of existing initiatives, e.g., Health Action Zones, Education Action Zones, New Deal, Connexions
- Wider developing policies have been introduced during the implementation of SSLPs, e.g. Health Development Agency: Modernising Primary Care, Birth to 3 Matters, Every Child Matters
- Different SSLP lead agencies – health, Local Authority, social services and voluntary sectors: NCH, Barnardo's, Spurgeons – all with varying degrees of systems and ethos.

2.3.4 Together with the knowledge that SSLP localities vary in socio-cultural-historical contexts, the implications of these variations when planning cost-effectiveness work increase the complexity of the task and consequently threaten effectiveness. At the same time these differences and complexities make cost-effective work even more important, to evidence new models of work. This emphasizes the key importance, for SSLP cost-effective work, to provide understanding of how resources are implemented in 'specific' communities in relation to 'specific' objectives and outcomes.

2.4 Cost Variability

2.4.1 It is more or less inevitable that the costs of providing particular services will vary from place to place and therefore, drawing on general research issues, there will be extraneous variables or factors to consider. These factors will impact on cost-effectiveness and generate cost variability. These factors will, however, also help to evidence the uniqueness of each SSLP. It is important that these factors are considered for SSLP cost-effectiveness work such as the level of existing provision in the community and the density of the locality which can both impact on participation of services (see Box 2.2 and Box 2.3).

Box 2.2

Cost Variability.

How will existing provision impact on cost-effectiveness?

Existing provision will vary where there is already an infrastructure for aspects of services for families with young children, SSLPs in partnership with these existing services can enhance them.

For instance:

- A new purpose built nursery will almost certainly be able to provide additional places at a lower cost than another area which needs a new building.
- A local midwifery service can be 'enhanced' with a service level agreement to increase productivity by working in partnership and sharing skills.
- Parent forums and local voluntary workers can further increase capacity building opportunities
- Interpreting and translation needs and services will vary in areas and in some cases will depend on the extent to which there has been a need for certain languages previously. This will vary from established community languages to new asylum seeker families. Local bilingual people will provide specific community language skills in more established areas in some areas and be more cost-effective.

2.4.2 In other areas there might be very little existing infrastructure available and costs will be higher to implement them from scratch. Gaps in key services prior to Sure Start for instance in speech and language therapy and counselling. Some programmes will develop new ways of working to deal with local skill shortages such as multi-disciplinary teams and volunteering to share skills. Factors such as the level of skill-mix, management and training of new teams will impact on costs. Any early investments will have a high cost.

| Box 2.3 Cost Variability. How will the density of the local area impact on cost-effectiveness? |
|---|
| <ul style="list-style-type: none">• Variations in rural and urban localities will impact on service delivery and participation. Home visitors working in compact urban areas will be able to visit more families per day than those working in more scattered communities• Mobility issues within geographic areas such as roads and public transport services will impact on the access to services. Families accessing services at the centre will also vary depending on the ease of access to the centre dependant on transport and the location of the centre.• SSLP centres that are centrally located in the programme area will be easier to access by the majority of the community than centres that are located in one far corner of a SSLP targeted community area. |

2.4.3 Programmes have chosen different routes for delivering similar services for instance, breastfeeding support^{xii}. This important area of work for SSLPs has been delivered in various ways such as during one-to-one home visits and group activities. In some areas multi-disciplinary teams deliver breastfeeding support in others health visitors, nursery nurses, interpreters, family support workers and trained peer parent volunteers. The costs of these different approaches to

delivering the same service are likely to differ, but it may be some years before it becomes apparent which approaches are cost-effective in terms of securing desired outcomes. SSLPs however, need to demonstrate their efficiency and effectiveness in the short-term though – to demonstrate how government revenue is allocated. What SSLPs have been encouraged to do is to consider outcomes as having both long and short-term aims^{xiii} and SSLP cost-effective work looks at progress of the short-term outcomes.

2.4.4 For the present, we can only see the cost of providing a particular level of outputs and any short-term outcomes. The approach of individual programmes will be based on the view taken at a local level as to how best to meet the particular needs of the local population. As these will vary depending on the existing service base, levels of trust in existing service providers, the level of local indicators such as emergency admissions to hospital, whether or not families with special needs such as asylum seekers or those with disabled children are over represented among the local population, what will be right for one area may well be wrong for another. If more expensive provision proves to be more effective in terms of long-term life chances, then it may be more cost-effective than cheaper provision.

2.5 SSLP cost effective analysis – the local level

2.5.1 The analysis of cost-effectiveness at a local level has been to concentrate on what was actually being delivered by the SSLPs and at what cost (see Box 2.4). The purpose of delivering these outputs is the belief that they are likely to improve the long-term outcomes for children.

2.5.2 More recently, SSLPs have considered sustainability in the transition to Children's Centres. Cost-effectiveness has become an important tool in this process and assists in demonstrating how resources are allocated across various objectives and targets, demonstrating the actual resource allocation and the outcomes of these allocations for children, parents and staff.

| <p>Box 2.4</p> <p>What does Sure Start Deliver?</p> |
|---|
| <p>OUTPUTS:</p> <p>The services being delivered by the programme</p> <p>TARGETS:</p> <p>Indicators/milestones that services are achieving their objectives</p> <p>OUTCOMES:</p> <p>Key features in the life and circumstances of children, families and communities. These include cognitive and socio-emotional development, health, educational qualifications, employment and earnings</p> |

2.5.3 NESS provided support for local cost-effectiveness, as part of SSLP evaluation because it was expected that local evaluators would be unfamiliar with the concept of value for money and with the principles of measuring cost-effectiveness. Other initiatives such as evaluating crime interventions have also provided guidelines to support evaluators in this specialist area of economic evaluation^{xiv}. A guide was produced for SSLPs: Guidance for Sure Start Local Evaluator and Programme Managers on the Estimation of Cost-Effectiveness at a Local Level and an activity designed to support the practical application for cost-effectiveness based on SSLP expenditure forms Information on calculating unit costs were included.

<http://www.ness.bbk.ac.uk/documents/GuidanceReports/167.pdf>

<http://www.ness.bbk.ac.uk/documents/GuidanceReports/168.ppt>

2.5.4 The NESS approach to cost-effectiveness provided an opportunity for SSLPs to demonstrate the inputs allocated to specific objectives such as 'improving social and emotional development' as a proportion of the overall programme expenditure. Each objective has Public Service Agreement (PSA) targets which are indicators of progress. Box 2.5 details the initial SSLP PSA targets. Each target effectively acts as a proxy for a wide range of outcomes. Like all government expenditure, Public Sector/Service Agreement targets and

objectives are set and used to measure and monitor, over specific time scales, the success of the policy^{xv}.

Box 2.5 Initial Sure Start PSA Targets

- A reduction in the number of children aged 0-3 who are re-registered on the child protection register within a twelve month period (an indicator of social and emotional support)
- A reduction in the proportion of women who continue to smoke during pregnancy (a key health indicator)
- A reduction in the number of children with speech and language problems requiring specialist intervention by the age of four (a key child learning indicator)
- A reduction in the number of children aged 0-3 who live in workless households (a key indicator for poverty, social capital and strengthening families and communities)

2.5.5 The targets themselves are not necessarily what Sure Start has actually been trying to achieve. They were chosen because they are associated with the improved life chances for children and families that Sure Start have been working towards. In other words, the targets are indicators that the programme was making progress on some key dimensions in the lives of children and families in the Sure Start area. So SSLP cost-effectiveness depends on the degree to which objectives and targets have been achieved in relation to the specific desired outcomes. The recommended approach to cost-effectiveness has the potential to demonstrate and facilitate the expenditure and effectiveness of:

- SSLP core activities, objectives and outcomes (section 1.5)
- SSLP specific services, objectives and specific outcomes
- General SSLP programme outcome activity in relation to objectives
- Support further analysis of unit costings
- Support further cost benefit analysis.

2.5.6 Analysing cost-effectiveness does not mean that all expenditure needs to produce positive savings elsewhere. Sure Start is intended to improve the lives of young children and their families over a period of years, if not decades, and programmes are not expected to produce instant savings. Efficiency and effectiveness are the important economic aspects to consider in relation to the allocation of funding to specific Sure Start objectives.

3. Approaches to Evaluating Cost Effectiveness

3.1 Advice from the NESS guidance

3.1.1 Advice on how to estimate cost effectiveness (see 2.5.3) points out that ‘the measurement of cost-effectiveness at a local level is chiefly a matter of looking at the costs of providing Sure Start service **outputs** (original emphasis)’ (p8). It further states that, whilst it might be possible in some cases to consider outcomes in terms of the identified indicators of well being, the links are nevertheless likely to be indirect (p8). Given these provisos, programmes were advised to consider cost effectiveness in terms of two core exercises:

- Expenditure against Sure Start objectives which involves identifying the amount of total revenue grant that was being spent on each objective in order to establish whether that represented
 - a) what the programme had intended
 - b) an appropriate spread of resources
- Unit costing

3.1.2 NESS guidance recommended a 7 step approach:

Step 1: Establish the overall level of inputs being devoted to services for young children and their families.

Step 2: Allocate all costs (including an appropriate share of overhead costs) to individual services.

Step 3: Calculate the total costs for each unit of service provided (per home visit, or per half day session at a drop-in centre, for example).

Step 4: Consider what the service which is being delivered is trying to achieve. Although Sure Start has long-term objectives, it is also seeking to deliver more immediate improvements in the well being of children and families. Where you can, relate your unit costs to any outcome targets achieved.

Step 5: Look at the costs of achieving particular service targets in your area by comparison with national benchmarks or information from other Sure Start areas.

Step 6: Consider whether there are any savings that can be attributed to any of the achieved targets, and if so, provide an estimate for the value of those savings.

Step 7: Write a report for your local programme on its cost-effectiveness performance.

3.1.3 Programmes were advised that it was essential to include a cost effectiveness analysis of at least one core service in their local evaluation programme.

3.2 Measuring costs. Limitations of the evidence

3.2.1 It is evident that programmes found cost effectiveness evaluation a difficult task to undertake. A search of the NESS local evaluation database of 745 reports using the term 'cost effectiveness' returned 70 documents, of which only 47 provided any relevant data (the rest making only a passing reference to cost effectiveness as an exercise that was either planned or proving difficult to conduct).

3.2.2 A number of reports include discussions of a range of methodological challenges which perhaps reflect some of the reasons why many programmes failed to undertake this exercise, and why the results for many of those that did need to be treated with considerable caution.

3.2.3 The data available for assessing the cost of a service or activity were frequently described as incomplete or difficult to break down properly (see Box 3.1).

Box 3.1

Quality and accuracy of the raw data

A number of reports emphasise the difficulties of trying to carry out a costing exercise using inadequate data. One group of programmes was evaluated by a team which included a health economist. Their cost effectiveness reports describe in particular the need to define a set of 'cost centres', which clearly identify which activities contribute to which cost objectives. An absence of systems and processes was found in every programme the team evaluated to ensure that data on expenditures and activities had been *routinely* (original emphasis) allocated to cost centres. As a result, many elements of cost had to be based on general apportionment rules, making the figures sensitive to:

- The accuracy of the activity data used to estimate the annual workload or outputs or the individual schemes
- The definition of specific schemes. In order to respond to local need, specific schemes with ostensibly the same name (e.g. home visiting for health support, community training) may comprise different inputs and employ different methods of delivery. These differences may produce significant variations in unit costs
- The degree to which schemes are distinct or operate in conjunction with others (e.g. crèches provided as part of training events) and hence the extent to which there are joint costs. Joint costs may be difficult to disentangle and apportion to particular activities.

The above is one of the more sophisticated explanations of the problems caused by the quality and accuracy of the available data, but a number of programmes report similar difficulties. It is likely that these difficulties will have been present for many others who have not taken the time to write them up, or who may not even have been fully aware of them (see section on skills base)

3.3 Measuring Benefit

3.3.1 As shown above, the kinds of benefits to be considered in relation to costs were recommended by NESS guidance. This focused on what services were trying to achieve, more immediate improvements in the well-being of service users, and outcome targets.

3.3.2 Where addressed, these elements were evidenced in reports in differing ways. However, many reports simply stated that it was 'too soon' in the lifecycle of the programme to be able to turn to measuring benefit in relation to services provided.

3.3.3 Other reports were convinced that the work of the programme was generally valued and liked and equated this with an assessment of overall benefit.

3.3.4 Some reports identified the 'benefit' elements which a cost-effectiveness analysis might entail but fell short of applying this to varying degrees. Sometimes this shortfall was acknowledged within the report, sometimes not.

3.3.5 A number of reports included some form of assessment of service quality or satisfaction with services, most often from the perspective of service users. In some instances no details of measures were included in the overall judgement presented, in other cases evaluation ratings were provided as evidence of 'outcomes' and thereby 'benefit'.

3.4 Resource Issues

3.4.1 All forms of evaluation have required considerable levels of commitment, albeit in varying ways, from SSLPs. Most usually programmes were drawing on existing data for their cost-effectiveness work. These data were frequently reported as being unreliable in some way, and many reports regretted the lack of time available to their staff to either rectify this or put in place systems which would enable greater accuracy. Many programmes found that cost-effectiveness work proved too costly in itself for them to commission. This led them to distributing the planned work to staff within the programme, who frequently found difficulty in incorporating the time needed for this into their work plans. In a few

cases reference was made to lack of resources to enable costing work to take account of the contributions of partner agencies.

3.5 Skills base

3.5.1 Reports on cost effectiveness were written by a variety of authors. It was not always clearly stated who authors were or where they were located. Similarly, it was not easy to discern the roles authors occupied within, or in relation to, SSLPs. However, it was apparent that many of those responsible for writing-up the results of SSLP estimations of cost effectiveness were drawing on newly-honed skills. Set in this light, cost-effectiveness analysis may be seen as a rather daunting task to some programme staff. The incorporation of a new working method in relation to a wider evaluation strategy presented challenges to some and opportunities to others. Inevitably, there was variation in the skills base present within SSLPs and in the external evaluation support which they were able to access.

3.6 The Evidence

3.6.1 It is not uncommon for reports to make statements about costs and benefits without providing sufficient evidence to test their claims. One report, for example states that a breastfeeding project has been cost effective on the basis that it cost £9970 to set up and run (the evidence for this costing in itself is unclear) and that the benefits of breastfeeding have been documented as better long-term health and healthier emotional attachment. This example illustrates a broader tendency in some of the reports, to attempt definitive conclusions without the relevant supporting evidence to justify them.

3.6.2 The 47 reports can be grouped into 5 categories, used to organise their findings (see Box 3.2). Each of these groupings except the first is discussed in the next sections. The content of the first grouping is duplicated in other reports, and does not offer any programme data.

Box 3.2.

Types of cost effectiveness findings

- Prospective Discussions (3 reports)

These reports discuss the cost effectiveness exercise without carrying it out.

- Total Expenditure Data (10 reports)

These reports focus on the first of the exercises that programmes were advised to undertake (see above)

- Non, or minimally evaluative Unit Costing Data (13 reports)

These reports include unit cost data, sometimes linked to outcome data, but against which an evaluation of value for money is not discussed.

- Benchmarking data but no detailed discussion (23 reports)

These reports attempt to benchmark but generally offer little contextual discussion.

- Cost Effectiveness Data and Discussion (11 reports).

These reports represent the best attempts to carry out a cost effectiveness exercise with contextual discussion of methodology and interpretation of results.

4. Results

4.1 Total expenditure data

4.1.1 Ten reports include a consideration of total expenditure data, seven of which follow the first of the two exercises which programmes were recommended to undertake, i.e. setting programme expenditure against objectives. Others report on total expenditure for particular services.

4.1.2 Of the seven reports addressing expenditure against objectives, four are from programmes within the same district, the work being conducted by the same evaluation team. Five report in terms of actual expenditure, two in terms of percentages. Reports vary in the way they describe the objectives, reflecting in particular the revisions to the Sure Start objectives that occurred in 2003. Only three reports present the information under the same headings in the same way and are directly comparable. The range of difference in spending between the three is illustrated in Box 4.1, which summarises the data from the two programmes with the greatest variation between them.

4.1.3 The difference in spending under the heading of 'child protection' for example, is stark. However, the authors are concerned to emphasise how crude and subjective these estimates are, and the inevitable artificiality about the way activities are allocated to PSA targets. They point out that some schemes serve multiple purposes simultaneously and therefore allocating a scheme to one PSA may underestimate the contribution of a Sure Start programme to others. The reality may be that the contribution the two programmes are making towards child protection is much more equal than these figures suggest.

Box 4.1 Programme Expenditure against Sure Start Objectives, 2002-3

Allocated Expenditure (including overheads): Programme 1

| Core Activities | Child Protection | Smoking | Child Development | Workless Households |
|--------------------------------|------------------|----------------|-------------------|---------------------|
| Outreach & Home Visiting | £1,548 | £7,739 | £108,349 | £37,148 |
| Support for Parents & Families | £1,854 | £7,414 | £83,410 | £92,678 |
| Play, Learning & Childcare | £2,182 | £8,729 | £130,940 | £76,382 |
| Community Healthcare | £1,805 | £9,023 | £108,278 | £61,358 |
| Special Needs Support | £1,287 | £5,148 | £90,085 | £32,173 |
| Additional activities | | | | |
| Action on Teenage Pregnancy | £0 | £0 | £0 | £0 |
| Crime Prevention & Reduction | £0 | £0 | £0 | £0 |
| Parents' Employability | £0 | £0 | £0 | £67,923 |
| TOTAL EXPENDITURE | £8,675 | £38,054 | £521,063 | £367,662 |

These data show that over half of all programme expenditure is devoted to services related to child development and almost 40% to workless households. Less than 1% is allocated to the heading of child protection and slightly more to smoking cessation activities.

Allocated Expenditure (including overheads): Programme 2

| Core Activities | Child Protection | Smoking | Child Development | Workless Households |
|--------------------------------|------------------|----------------|-------------------|---------------------|
| Outreach & Home Visiting | £9,614 | £19,228 | £28,841 | £6,409 |
| Support for Parents & Families | £21,535 | £10,767 | £53,837 | £21,535 |
| Play, Learning & Childcare | £10,306 | £10,306 | £103,059 | £82,448 |
| Community Healthcare | £12,861 | £32,152 | £70,735 | £12,861 |
| Special Needs Support | £5,127 | £2,564 | £41,019 | £2,564 |
| Additional activities | | | | |
| Action on Teenage Pregnancy | £1,282 | £6,409 | £12,818 | £5,127 |
| Crime Prevention & Reduction | £0 | £0 | £0 | £0 |
| Parents' Employability | £4,486 | £4,486 | £17,946 | £62,810 |
| TOTAL EXPENDITURE | £65,211 | £85,912 | £328,255 | £193,753 |

These data show that 46% of all programme expenditure is devoted to schemes related to child development and almost 26% to workless households. Some 20% is allocated to child protection whilst the remaining 8% is devoted to smoking cessation activities.

4.1.4 Three other programmes use total expenditure data to consider cost effectiveness in other ways. One programme reported on expenditure per child for each operating year and demonstrated a reduction, as numbers of children seen each year increase, from £5,375 in 2000-1, to £1,541 in 2003-4. The remaining two considered service expenditure from a prevention point of view. One argued that burns treatment can cost over £50,000 whereas the home safety scheme project has cost £15,000, though neither of these figures is validated or the link in any way evidenced. Another, more robustly, argued the prevention case for a breastfeeding service (see Box 4.2).

4.1.5 Total expenditure data were drawn together using different methods, including 'setting programme expenditure data against objectives', examining total expenditure per child per year of operation, and estimates of likely costs linked to prevention. The reports discuss the robustness of these data and the extent to which confidence can be afforded to the methods used, which indicates that the results should be treated with caution.

Box 4.2

Costs and benefits of peer support workers to improve breastfeeding rates

The evaluators of this Sure Start service provide the total annual expenditure data required to sustain the service as follows:

| | |
|---|-----------------|
| Current (2003) salaries of the peer supporters: | £16, 972 |
| Resources and equipment: | £ 3, 000 |
| Training for local parents: | £ 2, 000 |
| TOTAL | £21, 972 |

With total cost, the evaluators provide outcome data, estimating that 57 extra babies were initiated on breast milk in the year April 2001 – March 2002 as a result of the service. They then cite data which estimate the cost of not being breastfed measured in terms of the incidence of gastroenteritis, respiratory infections and otitis media at £206 – 296 per infant in the first year of life (Ball and Wright 1999). The evaluators demonstrate how this would produce a saving of £11, 742 – 16,872 for 57 additional breastfed babies.

Together with predicted additional savings from reductions in child onset diabetes mellitus, and benefits to the community of additional income, personal development, better general health awareness, social support etc, the evaluators present a relatively persuasive case for the cost effectiveness of the service.

5. Results: Unit Costing Data

5.1 Introduction

5.1.1 Many SSLPs reported on some form of unit costing within their delivery of services. Some of these programmes linked their unit costing exercises to data concerning expenditure, benchmarking, outcomes and detailed discussion, while other SSLPs did not. This section focuses on SSLP reports that present unit cost data with or without outcome data, but provide neither detailed discussion of these nor evidence of value for money. These SSLP reports are shown in Appendix A as those columns which are ticked for 'Unit Costs' but crossed for 'Benchmarking' and 'Further Discussion'.

5.2 Assessing unit costs

5.2.1 While many SSLPs presented some form of unit costing in their reports, a very small number of programmes arrived solely at a presentation of unit costings in their evaluation work (see Box 5.1). These programmes noted awareness of the limitations of this exercise, and usually made reference to the reasons for being unable to look at the effectiveness with the programme.

5.2.2 There was variation in the extent to which the working methods for unit costing were transparent. For example one SSLP tabulated unit costs for all the services ($N = 7$) which they provided (per user, per session) while noting that the reliability of their recording systems for service utilisation was in question and needed to be reviewed. Another SSLP referred briefly to dividing staffing costs by time spent on home visiting and thence produced a figure which allowed them to discern that their service was low cost.

5.2.3 The areas of work which SSLPs focused on for (solely) unit costing work varied considerably. These included all or a variety of services within the programme (as noted above), or single services such as home visiting and development work with fathers.

Box 5.1

Examples from reports looking solely at unit costings

One SSLP provided unit costings per user per service session, for example how much it costs for one child to attend one gym session. The report noted that it was too early in the development of the SSLP to identify its effectiveness.

| Service | Unit cost (£) |
|-----------------------|---------------|
| Aqua natal | 45.00 |
| Baby gym | 3.00 |
| Drop in | 65.00 |
| Get Crafty | 43.00 |
| Home visits (average) | 42.00 |
| Swimming | 7.00 |
| Top tots | 2.00 |

Another SSLP showed their steps towards calculating costs across a range of activities, with the aim of determining how money was being spent and to inform allocation of budgets. Their method was to divide the annual budget figure by the number of 'visits' made in one year and add operating costs (distributed over the total number of 'visits' across all priority areas to provide an additional cost).

| Priority area | Total cost per visit (£) |
|-----------------------------------|--------------------------|
| Outreach and home visiting | 228 |
| Support for families and parents | 219 |
| Play learning and childcare | 315 |
| Primary and community health care | 116 |
| Special needs support | 129 |
| Additional activities | 66 |

Both SSLPs reported that they found the costing exercises valuable to programme development.

5.2.4 The extent of provision within each service was determined locally. As one might anticipate, this meant there was considerable variation in cost. For example, the 'average' unit cost shown for 'home visits' in one programme was given as £42, while in another the figure for 'outreach and home visiting' was £228.

5.3 Assessing unit costs and outcomes

5.3.1 A limited number of SSLPs (N=9) referred to evaluation work which aimed to provide unit costings in relation to outcomes. These latter were terms which were used quite loosely and often without definition. Again, these programmes made apparent some form of recognition of the limitations they had experienced in carrying out this type of evaluation.

5.3.2 A variety of working methods were utilised. Most of these reports used the terms 'outcomes', 'effectiveness' and 'impact' interchangeably. Within the approaches, several SSLPs calculated costs in several ways in order to arrive at a unit cost, demonstrating differing unit costs (See Box 5.2). For example, one report took development of service costs plus salary costs and divided this by the number of times the service was used, and then presented an alternative calculation which incorporated staff costs, usage and equipment lifetime. The overall claim in this instance was that increases in usage would "increase the cost benefits".

5.3.3 Among the approaches used was one in which a costing dimension was added to other forms of evaluation. These reports took a particular service as a whole and evaluated its merits. They moved on then to include an aspect which related to costing preparatory to producing an assessment of the cost-effectiveness which this represented. Several reports attempted this but fell short of their goal in some way. For example, one report detailed perceived benefits associated with the provision of a particular crèche and then moved on to providing unit costings. However, the identified next step, determining the "cost and value" of the crèche, presented difficulties which the programme deferred resolving until a later point when "cost benefit systems are in operation in the local programme".

5.3.4 The areas of work which SSLPs focused on for unit costing in relation to outcomes included both single areas of activity, such as 'outdoor play costs', through to examining several areas of service provision within a single report.

Box 5.2

Examples from reports which used several approaches to unit costings within the same report

Example 1

One report itemised costs for Art provision to include crèche costs, materials, room hire, hospitality, salary, travel and management costs and dividing this by the number of individual registered parents and children benefiting from the provision. The figure for this was £28.82 per person. This was recalculated on the basis of removing the number of available crèche places during the period of the evaluation and arriving at a figure of £24.39. A further recalculation took the first list (crèche costs, materials, room hire, hospitality, salary, travel and management costs) and divided this by the total number of contacts made through the arts provision during the evaluation period, arriving at a figure of £16.74. No preference was expressed for a particular method.

Example 2

A report which looked at Outdoor Play added service development costs to salary costs and divided this by service usage. The programme also demonstrated an alternative approach which added equipment lifetime to the equation. The report did not identify which calculation was the preferred option. While the report noted awareness that the benefits attained must be assessed, this was thought to be a task best reserved for the longer-term.

5.3.5 Those reports which addressed themselves to a cost-effectiveness study of a single service most typically incorporated unit costing work with some kind of qualitative feedback on the service under scrutiny. Those reports which pursued the concept of cost effectiveness in a little more detail provided further components in their analysis. For example, one SSLP looked at two services and examined unit costs, targets, a 'qualitative review' of the service together with brief case studies. The conclusions drawn in the report related mainly to service development issues resulting from the qualitative part of the piece, as distinct from those related to linking unit costings to improvements in outcomes. These conclusions are similar to those encountered in other reports insofar as

they refer to “an extremely valuable service to Sure Start children and their families”.

5.3.6 Reports which looked at a several services in terms of unit costings and ‘outcomes’ mainly interpreted their task as being that of reporting back on a general level of overall satisfaction in relation to expenditure. At this level of abstraction, some reports were able to state that particular services provided a ‘cost effective activity’. In addition to this, they stated that the services were highly valued by many and contributed to a generalised level of overall child development. Several SSLPs noted the weaknesses of such claims, and some reports pointed to further work which would assist in filling-in the gaps as perceived by the evaluators.

5.4 Variation in cost and outcomes

5.4.1 As with those reports which focused solely on outcomes, unit costs linked to outcomes appeared to vary for apparently similar provisions. Some unit costs were ambiguously presented and this reflects the confidence levels which the authors of these reports had in the methods at their disposal. For example, one report included elements with unassigned values in their crèche cost calculations which rendered the overall total a figure plus the sum of unknowns, leaving the unit cost itself therefore as an unknown. Considerable work had been undertaken in order to define the formula, however. The exercise was useful to the programme nevertheless, as gaps in data were identified and plans were made to rectify these.

5.4.2 Those SSLPs which tackled the issue of outcomes in relation to costs either concluded that they had insufficient evidence to support either a positive or negative claim, or concluded that they were “cost-effective”. This latter stance in some cases was confirmed by the experience of having worked within a pre-determined budget with no additional expenditure where take-up of services simply had increased or positive feedback had been received.

5.5 Issues in comparing results from unit costings and outcomes measurements

5.5.1 It is clear that many SSLPs drew benefits from unit costings exercises and their attempts to match these to a measure of seeing how well they and/or their service users have fared. Most SSLPs encountered difficulties in their costing procedures and the results of these. All programmes described in this section of this report encountered challenges when attempting to provide evidence of their success in terms of the loosely defined 'outcomes', impact or 'effectiveness'.

These difficulties and challenges mainly centred around some form of missing data, a lack of definition linked to concepts or the scope of activities, limitations relating to evidencing outcomes, and the will to evidence successful effects when feeling to be 'doing a good job'. The identification of what constituted indirect costs and costs associated with partners presented particular challenges to programmes.

6. Results: Benchmarking

6.1 Introduction

6.1.1 The value for money question is very difficult to explore without a means of comparing the costs between similar services. Step 5 of the NESS guidance advises programmes to compare the costs and outcomes of Sure Start services with those of other providers. This process is known as benchmarking. The guidance outlines four potential ways of comparing Sure Start costs:

- Find out the costs of other local providers
- Share information with other Sure Start evaluators
- Use information from national sources
- Look on the NESS website for links to sources of information about costs and outcomes.

6.1.2 This element of the cost effectiveness exercise presented challenges for evaluators, as the example in Box 6.1 illustrates.

Box 6.1

Costing home visits and other contacts with service users

One programme evaluator noted that the unit costing example given in the NESS guidance for home visits is based on visits of around 2 hours each, whereas typical visits by a Health Visitor last between half an hour to an hour. He also noted that the salary of £10,000 given in the NESS example was low.

The definition of the unit of analysis is also open to considerable variation. Another SSLP report was cited in which a visit had been defined to include access by a child or parent to a service at a Sure Start Centre.

This example further demonstrates the importance of explaining terms and methods in as much detail as possible to reduce the risk of making inappropriate claims and comparisons.

6.2 Findings

6.2.1 Approximately half (N=23) of the reports included in this synthesis attempted some form of benchmarking, 11 of which were compiled by the same evaluators, applying the same evaluation strategy to their work with a number of programmes. These evaluators are responsible for a total of 13 of the reports in this synthesis, which is an indication of the significance of their strategy, which included the following:

- It attempts to consider costs as an integral part of a holistic service evaluation
- It attempts, where possible, to benchmark.

However, their presentation of costing data is relatively concise and, in the light of the caveats outlined in the boxed example above, the results again need to be treated with caution (see Box 6.2).

6.2.2 The figures in these 11 reports are typically described as estimates, though the cost findings are nevertheless presented with relative confidence. A separate report also uses estimated figures in a benchmarking exercise, but describes in more detail how these estimates have been calculated (see Box 6.3). It is evident that a number of assumptions have been made which, while necessary in order to complete the task, again potentially compromise the reliability of the data.

Box 6.2

Comparing like with like?

Cost of a Play and Learning Service

Using the basic unit cost model which deduces the average cost of a contact by reference to the total Sure Start grant of £43,500 (at 80%, £34,800) and undertaking about 40 home visits per week for about 45 weeks per year, the average contact cost of the PALS home visiting service is £19.33.

In seeking to identify other similar roles for comparison in terms of cost *Unit Costs of Health and Social Care 2002 (p.139)* identifies that the average cost per hour of client related activity for behavioural support service team members that work with children aged 5-16 in schools is £35 per hour in 2001/02 or £36.40 on a 2002/03 basis, assuming a 4% uplift.

By way of comparison with some other Sure Start programmes, family support workers at Sure Start A and Sure Start B offer home visits that incorporate play services with children, as well as other support for parents.

| Play workers PALS | Family workers Sure Start A | Family workers Sure Start B | Behavioural support service |
|----------------------|--------------------------------|--------------------------------|--------------------------------|
| £19.33 | £17.13 | £17.01 | £36.40 |

It could potentially be concluded from this benchmarking exercise that:

- Any of the Sure Start services represent a much cheaper alternative to the behavioural support service
- The PALS workers could look for ways of trimming their costs

However, whilst the behavioural support service may have been selected from the data on mainstream services nationally as the nearest available to the type of service being evaluated, it may not be similar enough to provide a meaningful comparison.

There is no indication of whether the 'unit' of comparison is comparable for any of the services cited, since neither duration nor the content of the visits is specified.

Box 6.3

Calculating the cost per home visit

At the time of the evaluation, family support workers kept personal records of the number of visits made, but were not required to supply these data to the programme. They were asked by the evaluators, therefore, to provide from their records the number of visits made in one month (January 2005), which was then multiplied by 12 to arrive at an estimation of visits per year.

Whilst the family support workers felt that the number of visits was fairly representative, it is arguable that other times of the year could have shown a quite different pattern, given school holiday periods etc, which could have impacted on the annual total. The unit cost of a 'standardised' home visit was duly calculated to be £78.94, though the duration of the visit is not specified. This was set against the cost of delivering early years and educational intervention through outreach work as identified in *Unit Costs of Health and Social Care* (2004), which is estimated to range widely between £21 - £151.

Family support services delivered in the home can vary significantly in content and duration, as such a wide range of possible unit costs reflects. It is important, therefore, to provide these data if possible.

7. Results: Cost Effectiveness

7.1 Introduction

7.1.1 All the local evaluation reports in this synthesis reflect, in one way or another, the fact that the requirement to conduct a cost effectiveness exercise has represented the most difficult element of the local evaluation for SSLPs to achieve. Typically, they have struggled with insufficient resources (data/skills/time) to meet this requirement producing, for the most part, partial or unreliable results. Ten reports stand out as representing the best attempts to address cost effectiveness, not because their results are necessarily any more robust or conclusive, but because they discuss the results and the process involved in a more comprehensive and creative way. In doing so, they contribute to an understanding, both of the methodology and the results, that offers useful insights. These 10 reports have been compiled by 4 evaluators or teams.

7.2 Understanding the Task

7.2.1 One evaluation team, which included a health economist, was commissioned by a group of programmes for a period of approximately 2 years to carry out a full evaluation programme including cost effectiveness.

Strategically, the team worked on the cost evaluation separately from the qualitative work they were doing on selected services. Thus, such data as is available on outcomes must be extracted from other, thematic reports in the overall evaluation programme. The team also chose to explore the cost effectiveness of the programmes as a whole rather than considering one or two services in more depth, a decision which was made all the more difficult by the evident lack, within the programmes, of appropriate record keeping. That said, the reports of these exercises contain authoritative discussion of the methods and the results, with recommendations for improving the process. Amongst the insights to emerge from these reports are:

- The relationship between the potential complexity of the exercise and the validity of the results (see Box 7.1).
- The importance of explaining definitions and methods (see Box 7.2).

Box 7.1

Complexity versus validity

A number of pragmatic simplifications to the task of establishing costs had to be applied due, in particular, to time constraints and the lack of accurate data. The reports from this evaluation team stand out for the detail they provide both about the nature of the simplifications and the consequent effect on the results.

For example, in the absence of the rigorous allocation of essential information to appropriately defined cost centres, many elements of cost had to be based on general apportionment rules. The evaluators explain that the figures, as a result, are vulnerable to:

- the accuracy of the activity data used to estimate annual workloads
- the range of different activities that might be defined by the same heading (e.g. home visiting)
- the degree to which joint costs (e.g. crèches provided as part of a training event) are difficult to disentangle and apportion to particular activities

Doubtless, these problems are endemic and will have been encountered by other cost effectiveness evaluators; only these reports articulate them in any detail.

Box 7.2

Definitions and Methods

Where others have simply presented a unit cost or a very rudimentary calculation of an expenditure figure divided by a unit of activity figure, these reports explain in a designated methods section how each of the elements involved in the calculation have been defined or carried out. The reader is alerted, as a result, to the fact that many of these elements are contestable, as are the figures, therefore, that flow from the calculations.

For example, the report identifies some of the problems involved in establishing staffing costs, e.g. where staff have worked on a number of activities, and the degree of estimation that they have had to make as a result.

7.3 Improvements over Time

7.3.1 Three annual reports, written for the same programme by the same evaluator, chart the process over time of grappling with the question of cost effectiveness. Taken together, they provide useful insight into the improvements that can be realised, given time and an increasing understanding of the task.

7.3.2 The first of these reports summarises discussions held in the programme about the concept of value for money and how it can be applied to Sure Start. Difficulties and reservations are identified as part of a process of preparation for the implementation of a cost effectiveness exercise during the following year of operation. The exercise was duly undertaken and written up in the subsequent annual report and, a year later, was repeated following improvements in recording procedures. The results are summarised in Box 7.3.

7.4.3 What is interesting about the approach taken here is that, in the absence of appropriate alternative service comparators, the evaluators estimated the hypothetical costs of delivering the same service in different circumstances and using different calculations. For the one to one service, these include:

- Different staffing structures
- 'True' versus 'actual' costs
- Different take up rates and definitions of the service 'user' (See Box 7.4)

These 'counterfactual' figures are not only instructive in themselves. They also underline the caution with which the cursory, non-contextualised unit cost estimates offered in many of the reports in this synthesis must be treated.

Box 7.3

Effects of improved recording procedures on unit cost calculations

The programme had planned to explore the cost of home visits but it proved more appropriate as the exercise developed to focus on the costs of *contacts* with service users. The definition of a contact in this case is identified and includes :

- home visits
- telephone contact consisting of assessment or support
- contact with a service user in a group work or similar setting which amounted to individual support

Two services in particular were highlighted; the family support service and Home-Start. Unit cost figures for the different time periods are summarised below:

| Activity | Unit Cost 2002-3 | Unit Cost 2003-4 | Unit Cost 2004-5 |
|-----------------|------------------|------------------|------------------|
| Whole programme | 59.32 | 63.06 | 34.73 |
| Family Support | 47.67 | 69.27 | 21.48 |
| Home-Start | 70.73 | 74.85 | 50.72 |

The variation in the figures over time are attributed to 2 factors:

- numbers of users accessing the service
- gaps in record keeping

The process of conducting the exercise in 2003, whilst flawed, nevertheless concentrated minds on both data accuracy and productivity. Senior programme staff were keen to use the momentum provided by the results to improve and, as the evaluator notes, programme staff are to be commended for the improvement in service levels as well as efficiency evidenced by the results for 2004-5

7.4 Creative approach and attention to detail

7.4.1 The remaining reports, compiled by two different sets of evaluators, display the most creative and complete attempts to meet the challenge of reporting on cost effectiveness. Every stage of the process undertaken is fully discussed and attempts are made to link perceived benefits to cost estimates in order to assess cost effectiveness.

7.4.2 One evaluation team reports on two services within one programme that are delivered in different ways - a one to one language development service and a drop in facility for parents and their children. Definitions and methodology are fully explained – for example activity data were collected for 4 separate months during one year, and the necessary calculations extrapolated from these figures.

Box 7.4

Understanding the value of a unit cost

The basic unit cost for the one to one service, per hour per child, including all imputables (see below) was estimated to be £64.25. The evaluators then calculated the following:

- Through Sure Start, the service was delivered by para-professionals, who were given appropriate training by a speech therapist. If the service had been delivered through mainstream organisational structures, it is likely that it would have been staffed entirely by qualified speech therapists. The cost per child per hour would then have been £82.70, taking the extra salary costs into account.
- The 'true' cost imputes the cost of delivering any part of the service that may, in fact, be given free. The 'actual' cost of delivering this service through Sure Start is estimated to be about one third less (£48.04), due to the free services that are available through the partnership.
- The average take up rate was 50% (typically because a session was scheduled for half an hour but actually lasted considerably longer). If scheduled times were more strictly observed and 2 children were seen in each hour, the unit cost would be halved at £24.02 (actual).
- The only beneficiary identified for this service was the child, but there is a strong case for including the adult as a beneficiary as well, particularly as the adult is taught how to apply the techniques used during the sessions. On the basis of doubling the number of beneficiaries, the unit cost is halved again - £12.01 (actual) with 100% take up.

7.4.4 The other set of evaluators also examine 2 services delivered by one programme, in this case in separate reports. One service concerns the funding, through a mediating agency, of family support services, the other concerns crèche provision to support training activities for parents.

7.4.5 The family support report tracks the experience and service usage of 4 families in particular, shedding instructive light in the process on the amount of input necessary to support different sets of need. It then compares the cost of delivering these different support packages through the voluntary agency with equivalent private costs. The strongest case the report makes is for the support to the voluntary agency in its work with special needs children to be maintained, wherever it originates from (See Box 7.5)

| Box 7.5 Costing different sets of needs | | | | |
|--|---|-------------------------------------|--------------------|--------------------------------|
| Family Ref | Input | Hrs/month | Agency Costs/month | Private Equivalent Costs/month |
| 1 | Limited social service help for single mother with two special needs children. Service to help mother cope and family to stay together | 12 basic 8 evening 18 weekend | £388.30 | £989.82 |
| 2 | Daughter with autism. Mother very low | 8 basic 4 weekend | £117.08 | £359.95 |
| 3 | Family needing help with their son's difficult behaviour | 12 weekend | £143.40 | £453 |
| 4 | Mother needing help, special needs child and new baby | 12 basic | £103.92 | ££316.37 |

7.4.6 The crèche report considers the costs of providing a crèche for a range of different training activities undertaken by the parents. It adopts a 4-step model to assess cost effectiveness:

- Describe the ingredients of the service
- Identify the activities and a unit of measurement
- Estimate the cost implications of the service elements
- Calculate the unit cost

7.4.7 The discussion is thorough and raises a number of important issues in relation to the trade off between meeting individual need, flexibility of provision, and financial sustainability. The exercise exposed 'surprising' realities about some of the costs involved (see Box 7.6).

7.4.8 These variable Sure Start costs were compared with a flat rate of £9.70 charged by the college nursery. However, it was pointed out that the stability of the nursery costs reflected the fact that the nursery was able to operate at full capacity because demand always exceeded supply. Excess demand was not addressed, whereas the Sure Start provision was tailored to the total numbers of parents who signed up for each course. It is also the case that the nursery charged for its provision at approx £14 per half day. The Sure Start crèche was provided free, and there is obviously room for considering a modest fee structure to enable the more flexible Sure Start provision to continue.

Box 7.6

The differential costs of provision for each activity are a function of variable parent numbers, venue and tutor costs

| Training Activity | No. of sessions | Av no of children per session | Cost per child (differential cost per session divided by no. of children attending each session) |
|-----------------------------------|-----------------|-------------------------------|--|
| Parents' Forum & Social Committee | 13 | 18 | £3.16 |
| Positive Parenting | 10 | 13 | £12.90 |
| I.T | 35 | 4 | £24.33 |
| Parent Training for Partnership | 4 | 6 | £28.66 |
| Counselling & Smoking Cessation | 6 | 3 | £49.55 |

The most surprising outcomes in this analysis were both the high cost of supporting the counselling and smoking cessation activities, and the low cost of supporting the Parents' forum. Stability of attendance as well as absolute numbers contributed to greater cost effectiveness.

8. Conclusions

8.1 Sparse evidence

8.1.1 Assessing cost effectiveness was generally regarded by programmes and evaluators as the most difficult and labour intensive element of the local evaluation to undertake. Many programmes were also concerned about the implications of conducting such an exercise. Despite acknowledgements that, as an experimental initiative, targeted directly towards areas of high need, SSLPs were not expected to produce savings in the short term (Meadows 2002), many programmes remained concerned as to how higher unit costs would be judged, if the associated increased benefits were not immediately apparent.

8.1.2 Those that did rise to the challenge, and whose reports are included in this synthesis, are to be commended for making the attempt. However, to be reliable and instructive, the cost effectiveness task requires a sufficiency in accuracy of data, expertise on the part of the analysts, and transparency in the presentation of the calculations that are made. This was not the case in sufficient numbers to make any overall comparative analysis of the findings viable.

8.1.3 Equally, there are indications that a few programmes found both the discipline of carrying out the exercise and the information arising from it unexpectedly helpful to them. Staff in one programme were able to acknowledge the benefits of the increased awareness of accountability that resulted from the exercise, and the programme has been keen to build on the momentum provided by the experience. Another programme, following the revelation that its home visiting service had a particularly high unit cost, was able to re-structure its arrangements and reduce its costs significantly.

8.2 Recommendations

8.2.1 For all the reasons already outlined in this discussion, it is not possible to make recommendations from the available material concerning the substantive findings. In principle, given an adequate cross section of reliable data on a selection of services, it would be possible to make tentative assessments of more

or less cost effective interventions. For that to be possible in the future, the following recommendations need to be considered:

- There is a clear need, supported by those evaluators who have included contextual discussion in their reports, for the information systems necessary to carry out cost effectiveness evaluations to be improved. As one evaluator noted, the unit cost exercise would be facilitated by the allocation of programme expenditures and activities to appropriately coded cost centres. If this practice was developed, the data collection burden would be considerably reduced.
- The assumptions that have typically been made about the services under scrutiny and the methods and definitions employed have prevented any attempt to undertake comparative analysis. It would be helpful for programmes to provide more detailed contextual information including:
 - The ingredients of the service
 - Full information on sources and proportions of service funding
 - Detailed explanations of the rationale for calculations
 - Some consideration of what alternative modes of service delivery might be theoretically possible
- There are particular forms of expertise required for successful cost-effectiveness evaluations. It is clear that this expertise is neither quickly learned nor easily bought. SSLPs experienced challenges in developing the skills of their own staff teams in this area, and in helping external evaluators to understand how to fit existing data to their required purposes. Time was an essential element of both these activities. Clearly this brings into question the part that appropriately tailored training might play in developing skills. On-site training in cost-effectiveness techniques would need to take account of local systems, skills and conditions.
- SSLPs operate with an eye to detail and the impact which changes in services have within the local community. Economic analyses most

usually function at an aggregated level with large data sets. Further exploratory work may be required in order to draw together these areas of expertise with the aim of enabling an identification of suitable prospective data collection systems.

8.2.2 Many programmes have continued to develop their information systems since these cost evaluations were carried out. Also, specially designed financial software packages have been developed recently, with which some programmes have begun to work. Both information management and capacity have been improving therefore, but it remains to be seen whether this momentum continues, or is deemed relevant, as local authority partnerships assume control of the Children's Centre agenda.

Appendix A: Programme documents (N = 47) that have contributed to this synthesis report

| No | Def | Region | District | Programme | Report Title | Non Evaluative Data | | Evaluative Data | | |
|----|-----|---------------|-------------------|------------------------------|---|---------------------|------------------------|-----------------|------------------------------|------------------------------------|
| | | | | | | Unit Cost Data | Total Expenditure Data | Benchmarking | Cost Data linked to Outcomes | Further Discussion and/or Analysis |
| 1 | | East Midlands | Northampton-shire | Northampton (Camrose Centre) | Final Local Evaluation Report Feb 2004 Breastfeeding Support Home Safety Equipment | X X | X X | X √ | √ √ | X X |
| 2 | | London | Havering | Hilldene and Gooshays | Counting the Cost of Childcare: supporting educational training for parents in one Sure Start | √ | X | √ | √ | √ |
| 3 | | | | Hilldene and Goodhays | Havering Crossroads: The Link to Sure Start Evaluation Report | √ | X | √ | √ | √ |
| 4 | | | Redbridge | Loxford | Spotlight Family Support Workers Service | √ | X | √ | √ | X |
| 5 | | | | Loxford | Spotlight Infant Mental Health Report | √ | X | √ | √ | X |
| 6 | | | Southwark | West Peckham | Draft Local Evaluation Report Jan 2004 | X | X | X | X | √ |
| 7 | | North East | Newcastle | Newbiggin Hall | Annual Interim Report | √ | X | X | √ | X |

| | | | | | | | | | | |
|----|--|---------------|-----------------------|-----------------------|---|---|---|---|---|---|
| | | | upon Tyne | | Jan 2005 | | | | | |
| 8 | | | Wear Valley | Durham | Yr 2Annual Evaluation Report | √ | X | X | X | X |
| 9 | | | Redcar & Cleveland | East Cleveland | Cost Effectiveness of Home Visiting Services | √ | X | X | X | √ |
| | | North West | | | | | | | | |
| 10 | | South East | East Sussex | Bexhill and Sidley | Spotlight Project Evaluation Under 5s Association | √ | X | √ | √ | X |
| 11 | | | | Ore Valley | Spotlight Project Evaluation – Home Start Mar 2003 | √ | X | √ | X | X |
| 12 | | | Kent | Folkestone | Annual Evaluation 2005 | √ | √ | X | √ | X |
| 13 | | | | Dover | Annual Evaluation Report | √ | X | X | X | X |
| 14 | | | | Sheerness | Spotlight Project Evaluation Play and Learn Scheme | √ | X | √ | √ | X |
| 15 | | | Bucks | Wycombe | Cost Effectiveness Analysis of Two Core Services | √ | X | X | √ | X |
| | | | | | | | | | | |
| 16 | | South West | Torbay | Paignton | Cost Effectiveness Report | x | √ | X | X | X |
| 17 | | | Swindon | Penhill/Pinehurst | Fathers' Development Work report | √ | X | X | X | X |
| 18 | | | Swindon | Penhill/Pinehurst | Post natal depression report | √ | X | X | √ | X |
| 19 | | | Bournemouth | Bournemouth | Three year evaluation report | X | √ | X | X | X |
| 20 | | | Bristol | Knowle West | Parent Link report | √ | X | √ | √ | X |

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|----|---|----------------|---------------|--------------------------|---|---|---|---|---|---|
| 21 | | West Midlands | Wolverhampton | Wolverhampton East | Child care evaluation report | X | X | X | X | √ |
| 22 | | | Dudley | Brierley Hill | Cost Benefit Analysis of 2 Services – Play Talk & First Steps | √ | √ | √ | √ | √ |
| 23 | C | Yorks & Humber | Barnsley | Kendray & Worsbrough | Interim Report Sep 2003 | X | √ | X | X | X |
| 24 | | | Bradford | Barkerend | Cost Estimates for Activities in SS Barkerend Oct 2004 | √ | X | √ | X | √ |
| 25 | | | | Keighley | Cost Estimates for Activities in SS Keighley | √ | X | √ | X | √ |
| 26 | | | | West Bowling | Cost Estimates for Activities in SS West Bowling | √ | X | √ | X | √ |
| 27 | | | | Shipley | Cost Estimates for Activities in SS Shipley | √ | X | √ | X | √ |
| 28 | | | Doncaster | Bentley Central | An Evaluation of the SS Family Support Outreach Service | √ | X | √ | √ | X |
| 29 | P | | | Noddle Hill | Cost Effectiveness | X | X | X | X | √ |
| 30 | | | | | An Evaluation of the Arts Provision Nov 2004 | √ | X | X | √ | X |
| 31 | | | | | An Evaluation of the Outdoor Play Provision Nov 2004 | √ | X | X | √ | X |
| 32 | | | | Longhill & Bilton Grange | Evaluation of Basic Skills Course | √ | X | X | √ | X |
| 33 | | | | | Evaluation of Crèche Provision April 2004 | √ | X | X | √ | X |
| 34 | | | | | Evaluation of Stay | √ | X | X | √ | X |

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| | | | | | and Play Provision April 2004 | | | | | |
| 35 | | | Kirklees | Thornhill | Evaluation Report Sep 2004 | √ | X | X | X | X |
| 36 | P | | Leeds | Bramley | Local Evaluation Report - 2 nd year April 2002 – March 2003 | X | X | X | X | √ |
| 37 | | | | | 3 Year Evaluation Report Feb 2001 – March 2004 | √ | X | √ | √ | √ |
| 38 | CE | | | | Yr 4 Evaluation Report | √ | X | √ | X | √ |
| 39 | P | | Rotherham | Rawmarsh | Spotlight Project Evaluation – Health Visiting October 2003 | X | X | X | X | √ |
| 40 | | | | | Spotlight Project Evaluation Confidential Health and Advice for Teenagers – April 2003 | √ | X | √ | √ | X |
| 41 | | | | | Spotlight Project Evaluation – Family Support Team Oct 2003 | √ | X | √ | √ | X |
| 42 | | | | Maltby | Spotlight Evaluation – Service for Parents of Children who need Additional Care | √ | X | √ | √ | X |
| 43 | P | | | | Spotlight Project Evaluation - Health Visiting April 2003 | X | X | X | √ | X |
| 44 | | | | | Spotlight Project Evaluation – Family Workers April 2003 | √ | X | √ | √ | X |

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| 45 | | | | | Spotlight Project Evaluation – Home-Start April 2003 | √ | X | √ | √ | X |
| 46 | | | | | Spotlight Project Evaluation – Speech and Language April 2003 | √ | X | √ | √ | X |
| 47 | CE | | Sheffield | Foxhill & Parson Cross | Costs & Benefits of peer support workers to improve breastfeeding rates | X | √ | X | √ | √ |

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