

Cambridgeshire's Funded Two-year-old Childcare



Social Return on Investment Report

Terry Chance
January 2013

Assurance Statement

This report has been submitted to an independent assurance assessment carried out by The SROI Network. The report shows a good understanding of the SROI process and complies with SROI principles. Assurance here does not include verification of stakeholder engagement, data and calculations. It is a principles-based assessment of the final report.

Acknowledgements

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Finally, thank you to internal colleagues who gave valuable input and took the time to help me understand many aspects of the far reaching effects of this early years intervention.

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Executive summary

This report uses the Social Return on Investment method (SROI) and is about work undertaken during 2011-2013 to place a value on the intervention of funding childcare in Cambridgeshire for disadvantaged 2-year-olds. It explains the story of change for stakeholders resulting in a ratio of return on investment for every pound spent.

Funded two-year-old childcare in Cambridgeshire began in 2009 as part of a national pilot (Pilot) being rolled out by the Department for Children, Schools and Familiesⁱ. The intervention was targeted at disadvantaged families with the aim of improving outcomes for children and narrowing the gap in educational achievement between them and other children¹. Improved outcomes and support were also sought for families.

Selected children's centres worked with disadvantaged families with 2-year-olds in their reach area, and the Early Years and Childcare Service identified high quality provision in the children's centre reach areas to provide the childcare. The trajectory for funded places has gone from 120 in 2009 to 600 in 2012/13 and is due to rise to **1,200** in 2013/14. The SROI framework has been used to forecast the impact once 1,200 disadvantaged 2-year-olds are in childcare.

The primary stakeholders are *disadvantaged 2-year-olds* accessing childcare places and their immediate *families*. *Children's centres* are also primary stakeholders as they are instrumental in the identification of eligible children.

The secondary stakeholders are the *State* and *Local Authority* early years services working with Special Educational Needs, Looked After Children, Children in Need and Primary School work affected by children with personal, social, emotional behavioural issues.

The key objectives of the report are to forecast the:

- ◆ impact of the funded childcare on primary and secondary stakeholders
- ◆ costs outside of 'business as usual' of delivering this intervention
- ◆ impact of the intervention for the Local Authority as the children progress to school
- ◆ social value of the impact against the cost.

Outcomes for **children** are enhanced development in three areas:

- ◆ communication and language
- ◆ personal, social and emotional
- ◆ physical.

Outcomes for **families** are:

- ◆ increased employment and training opportunities
- ◆ positive change in relationship with child
- ◆ improved sense of well-being, self-esteem and confidence

ⁱ Now Department for Education

Children centres ensure referrals are made. Outcomes are:

- ◆ identifying and working with hard to reach families
- ◆ higher staff confidence and knowledge
- ◆ higher stress levels for staff

Outcomes for the **State** are:

- ◆ reduced demand on health services leading to less drain on public resources
- ◆ reduction in social benefits cost and increased contribution to taxes and NI

The **Local Authority** ensures the delivery of the intervention. Outcomes are:

- ◆ saving money or redirecting resources due to early identification of special educational needs
- ◆ saving money or redirecting resources due to child coming off Child in Need Register
- ◆ saving money or redirecting resources due to early identification of child's challenging behaviour before school age

Outcomes are identified through stakeholder engagement, valued according to financial proxies, discounted for **deadweight** (change which would have occurred anyway), **attribution** (change which might come about as a result of other agencies) and **drop-off** (change whose impact diminishes over time). The present value is arrived at using a discount rate of 3.50%.

The **cost** of the intervention overall is **£3,642,624**. This equates to an intervention *cost per family of £3,006*.

The **total social value over five years** is **£30,585,208**.

Thus, the early intervention of funded childcare places for disadvantaged two-year-olds over a five year period delivers a value of **£8.40 for every £1** of investment.

Recommendations

Data collection and reporting

- ◆ Improve the way that data is collected on the funded two-year-olds by an identifier in the ONE database that is made available to the Early Years Funding Team, Social Care, Children's Centres and professionals in the Local Authority working with disadvantage.
- ◆ Monitor and report on outcomes identified for the funded children and ensure this is fed back to children's centres, families and providers.
- ◆ Monitor and report on the number of children prevented from going into care through this early intervention.
- ◆ Track the funded children who are Looked After to determine the extent that their outcomes improve.
- ◆ Gather Foundation Stage Profile (FSP) information on funded children through Key Stage 1 and analyse against their non-funded peers.
- ◆ Collect baseline information by children's centres on family circumstances at the point they come into the centre and how they change as a result of the childcare.
- ◆ Gather evidence on the outcomes for funded two-year-olds at the end of Key Stage 2 (which the first cohort will reach in 2017/18), to assess whether there is

any significant difference between funded two-year-old and no-funded children in similar circumstances.

- ◆ Conduct further analysis of funded children to compare outcomes of those who took up the childcare against those who did not.
- ◆ Monitor educational attainment for funded two-year-olds throughout school career.
- ◆ Commission an evaluative SROI report to determine the benefit from the first year where 15 hours a week will be offered from September 2013 to July 2014 and on to Foundation Stage 1. This would be the first cohort through the established scheme attending the full 15 hours a week.

Resourcing Children's Centres

- ◆ Strengthen family support linked to funded 2-year-old childcare as the report shows that they derive 40% of the value of the intervention.
- ◆ The strain of referring increasing numbers of funded children is evidenced by the 'higher stress levels for staff' outcome. New ways of managing referrals should be examined with the workload shared between other services and/or additional staffing resource input.

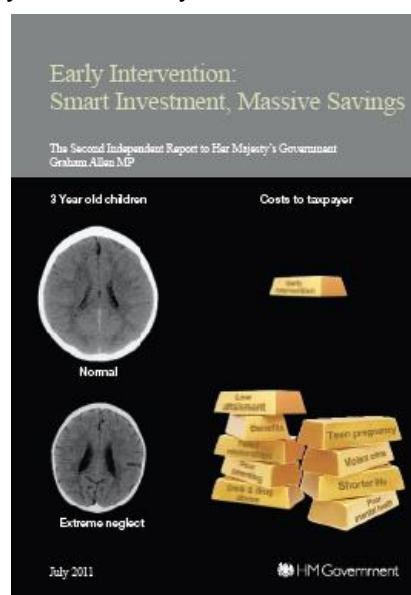
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Introduction

The startling imagesⁱⁱ of a healthy three-year-old's brain and a neglected three-year-old's brain on the front of Graham Allen's report *Early Intervention: Smart Investment, Massive Savings*² summed up the urgency of this early intervention for me. The smaller image represents children from that age group who have suffered severe sensory deprivation and suggests less development where a child, at the age of two, does not get the stimulation they need to develop normally.

Further reading³ about brain development in that age group identified 'windows of opportunity' when the pathwaysⁱⁱⁱ are laid for language, social, emotional, personal and physical development at an astonishing rate. To understand the importance of the intervention for this age group, the growth of synapses are from 10 trillion at birth to **200 trillion** at age 3². The synapses are complex connections which influence intellect, memory, problem solving, and language³. These pathways are influenced by experience and the window for that development is within this two to three-year-old age group. Importantly, research shows "**that synapses that are not stimulated are eliminated**"⁶.



The Department for Education is investing in early education for disadvantaged two-year-olds "in order to improve their cognitive, social and behavioural development and close the gap between the most disadvantaged and better off children"⁴.

Dame Clare Tickell, in her review of the Early Years Foundation Stage⁵, suggests that "personal, social and emotional development, communication and language and

ⁱⁱ Acknowledged to the studies conducted by researchers from the Child Trauma Academy in Graham Allen's report *Early Intervention: Smart Investment, Massive Savings*

ⁱⁱⁱ Also referred to as synapses, connections or wiring.

physical development are essential foundations for children's life, learning and success".

Among the findings of *The Effective Provision of Pre-school Education (EPPE) Project: Findings from Pre-school to end of Key Stage 1*⁶ report, pre-school experience, under the age of 3 years enhances development and is related to better intellectual development. The report found that these benefits carried on throughout Key Stage 1. The report showed the importance of a good home learning environment and high quality childcare provision. The research "indicates that pre-school can play an important part in combating social exclusion and promoting inclusion by offering disadvantaged children, in particular, a better start to primary school".

Evidence shows that pre-school helps children to develop normally and the effects last on into school. Importantly, starting at the age of two enables joined up working between professionals in the identification of strengths and any additional support⁵ the child may need. This enables extra help to be put in place at the time it is needed. If not identified, children will already be struggling by the time they get to school.

From the range of evidence, it is clear that an early start has good benefits for children. A place in pre-school for economically disadvantaged children can be a key factor in addressing need: cost may be one of the barriers. The government is investing in childcare from the age of two for disadvantaged children. Central government plans to target all two-year-olds nationally who:

- ◆ are in low income families eligible for free school meals
- ◆ have special educational needs or a disability
- ◆ are looked after by the Local Authority.

Funding the childcare will increase take-up and therefore the advantages of high quality childcare and early learning will be realised for those children.

Locally, Cambridgeshire has had funding to support 600 children in 2012/13. This will increase to 1,200 children in 2013/14, doubling the numbers of disadvantaged children being targeted. This report has been undertaken to understand the value of the intervention in Cambridgeshire.

How do we value this?

There is a standardised public sector framework called the Social Return on Investment (SROI)⁷ which can be used to measure and account for social, environmental and economic costs and benefits. It presents the story of change upon which decisions may be based.

Social Return on Investment (SROI) method

Information in this report about the SROI method is taken from *A Guide to Social Return on Investment (2009)*.

The Social Return on Investment (SROI) method has been selected as it shows the value of the social, environmental and economic impact that has been created in

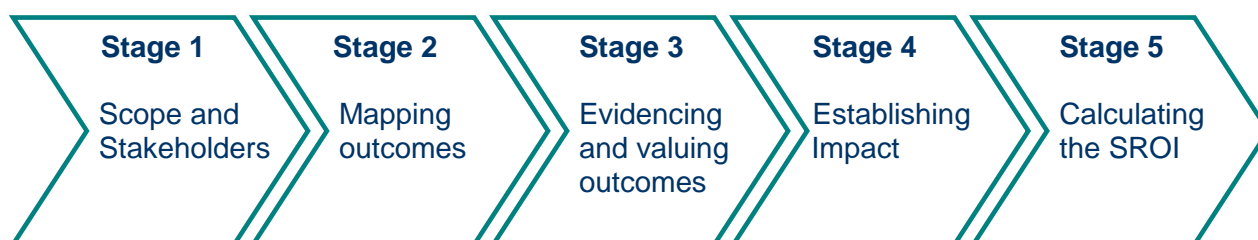
financial terms. This makes it possible to weigh *social* benefit against the cost of investment.

The SROI methodology uses a spreadsheet analysis called an Impact Map. Inputs, outputs and outcomes are entered into the map. The relationship between these components is sometimes known as the ‘theory of change’ and shows how the intervention makes a difference⁶. Other information – indicators, quantity, value (known as proxies) is also entered into the map. Formulae calculate the final value in monetary terms. Excerpts from this Impact Map are referred to and used throughout this report.

The SROI analysis covers six stages and this report will take the reader through those six stages:

1. Establishing scope and identifying stakeholders
2. Mapping outcomes
3. Evidencing outcomes and giving a value
4. Establishing impact
5. Calculating the SROI
6. Reporting, using and embedding

This will be done by reference to the Impact Map which covers the first five stages.



The recommendations will be given in Stage 6.

The SROI methodology can be *evaluative*, based on what has already taken place or *forecast*, what will take place in future. The forecast method has been selected for this report. It will predict the social value of the investment of funded 2-year-old childcare once Cambridgeshire is funding the projected 1,200 eligible 2-year-olds in the County.

The SROI project was undertaken by a senior officer for the Local Authority under the project management of the Early Years Policy, Commissioning and Funding Manager. It took place on a part time basis over three phases. In the first phase, which took six months, training, background reading and initial research was undertaken. During this time, stakeholders were identified and information was gathered relating to the primary stakeholders and analysed.

In the second phase, information was gathered from the secondary stakeholders through discussions with professionals in children’s centres, childcare provision, teams dealing with child poverty, disability, childcare quality and through research. Detailed analysis of all of the information took place, values were discussed and derived, and the report was written. This took about seven months. In the third

phase, the report was submitted for assurance with suggestions examined and implemented.

Principles

SROI is based on seven principles. A short explanation follows:

Involve stakeholders In SROI, it is the stakeholders who experience and so describe the change. They are identified initially and then involved during and after the report process. This is so they can identify what matters to them. In this SROI, it was challenging to involve all stakeholders. The principle of transparency (see below) is shown by the identification and explanations of methods used.

Understand what changes This principle relates to understanding and expressing the results of the changes. The changes can be negative or positive, intended or unintended and it is important to recognise unexpected changes. Again, the principle of being transparent is shown by acknowledging that there are unexpected results. The outcomes are measured to provide evidence of the change.

Value the things that matter This principle relates to the use of proxies. Proxies are used to place a value on an outcome which may not be market traded.

Only include what is material Materiality⁸ is usually an accounting term referring to the significance of an amount in relation to the whole. By omission, would it influence an economic decision? The term is used in a similar way in SROI and is particularly relevant when deciding who the key stakeholders are – do they make or experience a significant contribution to change? Would their omission cause a person to make a different decision about the impact of the activity? For each decision there are two steps to determine: 'Is it relevant?' If not, it can be omitted. If so, then the next question is 'Is it significant?' This is a good measure to use through each stage of the process to determine whether the outcome will have an influence on decisions and activities.

Do not over-claim This principle incorporates the identification of what change would happen without the intervention (deadweight) and what contribution other people, agencies or organisations (attribution) make. Deadweight and attribution are explained later in stage 4. Changes are examined to ensure that the final value is attributable to the activity or intervention.

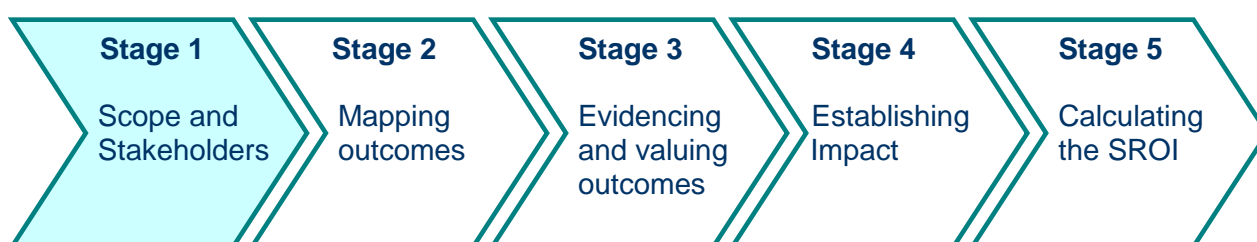
Be transparent This principle requires an open and honest approach in the documentation of the stages, assumptions and evidence. The results of the analysis will be communicated to stakeholders.

Verify the result Independent assurance is undertaken to verify whether the process has been carried out according to the SROI principles. This assurance can be undertaken by the SROI Network.

Stage 1

Scope and stakeholders

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1.1 Background

The Children and Young People's Service (CYPS) of Cambridgeshire County Local Authority has responsibility for education, social care and youth support services. Its aim is to improve outcomes for children and young people in Cambridgeshire including identifying and evaluating the impact of the interventions to ensure services improve and achieve value for money.

The Early Years Funding Team sits within the Infrastructure service of CYPS and funds the childcare places for 3 and 4-year-olds and disadvantaged 2-year-olds.

A Sure Start ring-fenced pilot project (the Pilot) to fund childcare for the most deprived 2-year-olds took place between 2009 and 2011 in Cambridgeshire. Children meeting a high criteria of need were offered 10 hours a week of childcare during term time.

The intervention was targeted at disadvantaged families with the aim of improving

child outcomes and narrowing the gap in educational achievement between them and other children. Improved outcomes, support and signposting to services were the intentions for parents.

In addition to being on low incomes, issues facing many of the families included:

- ◆ Involvement with Social Services eg Child in Need or Child Protection issues
- ◆ Child or adult with chronic physical health problems / disability / or additional need
- ◆ Lone or young parent
- ◆ Substance or alcohol dependency
- ◆ Mental health difficulties
- ◆ One parent serving prison term
- ◆ Three or more children under five
- ◆ Experiencing domestic abuse
- ◆ Living in overcrowded or unsatisfactory accommodation

The Pilot was funded with sufficient budget for 120 childcare places (10 hours a week over 38 weeks in a year). During the pilot, a system was created for identifying eligible children and placing them with quality providers. It was decided that children's centres, working in the most disadvantaged areas, would be key to this process, with the funding administration based in the Infrastructure service alongside the Early Years Funding team. Twelve children's centres worked with disadvantaged families with 2-year-olds in their reach area, and the Early Years and Childcare Service, responsible for the quality of provision, identified appropriate childcare in the children's centre areas who could take funded 2-year-olds.

The scheme became embedded from 2011/12 and was rolled out to all 40 children's centres. The funding will form part of the Dedicated Schools Grant from 2013.

The beneficiaries are the funded children, their families, children's centres, the Local Authority and the State.

1.2 Scope

Why look at this now?

The trajectory for funded places has gone from 120 in 2008/09 to 600 in 2012/13 and is due to rise to 1,200 in 2013/14 when a place will increase from the original 10 hours to 15 hours per week. The increase raises the question of what value stakeholders will get from this investment of money into supporting 2-year-olds to go to pre-school. How successful is this early intervention?

What are the objectives?

The objective is to produce a professional report to provide evidence of the impact of 2-year-old provision in Cambridgeshire to underpin decisions to increase local authority investment in these children.

The key objectives of the report are to forecast the:

- ◆ Impact of the funded childcare on primary and secondary stakeholders
- ◆ Costs outside of 'business as usual' of delivering this intervention

- ◆ Impact of the intervention for the Local Authority as the children progress to school
- ◆ Social value of the impact against the cost.

The report will answer the question: What is the value to Cambridgeshire of investing in the 2-year-old childcare programme?

Who is the audience?

Service leaders, managers, professionals working with families and children and Local Authority councillors are all interested in this intervention. It is planned to share this report through presentations and distribution of the report. There is interest in using the report when applying for further funding should any become available for pilots, outreach or other initiatives from Central Government. It is hoped that the evidence gathered will contribute to a wider understanding of the impact of this intervention.

Resources and focus

The scope was refined during the life of the analysis as the likelihood for a huge undertaking became apparent. There is so much potential for information in this intervention but resource restrictions necessitated a tightly defined scope.

This report focuses on a cross-section of disadvantaged two-year-olds accessing childcare without regard to gender differences. It is based on the assumption that all 1,200 disadvantaged children will be supported. In reality, this will not be the case as some children will not be identified at all, some will come onto the radar and then fade off to somewhere else and some will have a place approved and never take it up. Taking the intervention forward, it will become necessary to identify these children so that they do not slip through the net and can receive the support they need. Identifying benefits will underline the importance of putting that process in place. For the purposes of this forecast, it is assumed that process exists.

Family, an important stakeholder, has not been separated out by gender, single, cohabiting or married individual, but each family is counted as one unit and refers to the primary carers and could include benefits to sibling children.

The contribution of children's centres to families in their reach area is significant. The scope of this report focuses on the *referral to childcare* aspect. The funding attracts families who might not otherwise approach the centres. Time spent on making the referral for childcare is within the scope of this report but the work that follows is not.

It is assumed that all providers in Cambridgeshire taking funded 2-year-olds have been approved based on the high quality of the provision.

Although extensive reading has been undertaken during the gathering of information for this report, there is no scope to do further research on early years interventions, poverty and stages of development beyond the gathering of information from the stakeholders. It has been recognised that many organisations and agencies are working with disadvantaged families and children as a result of the funded childcare and that they will link to this intervention; please see the list in Appendix 1 for some of these.

1.3 Terminology

The use of the word 'child' or 'children' as a stakeholder refers to disadvantaged 2-year-olds.

'Enhanced' outcomes refer to added value in learning not usually experienced by many children in poverty. The enhancement of learning and development would bridge the gap with other more advantaged children.

'Childcare' and 'pre-school' refer to the funded hours at the provision. These funded hours can be delivered through childminders, playgroups, pre-schools, nurseries, day nurseries and independent schools. The term pre-school is used to mean before starting school.

Additional term explanations may be found in the glossary.

1.4 Stakeholders

To identify the stakeholders in this intervention, a list was drawn up of potential beneficiaries or affected parties. Each, in turn, was then assessed according to whether they experience change as a result of the intervention. Those where the effect was not material were then excluded. Please see Table 12 under the audit trail section for the list of excluded stakeholders.

Materiality was applied when selecting the shortlist. Some of them, although they had some involvement, did not receive nor make a significant impact on the outcome. This was the case with the Department for Education – although they provide guidance and funding and perhaps receive good press about the intervention, they are relevant, but the funding is passed to the Local Authority and there is no significant impact on that department. Therefore, they were excluded from the selected stakeholder list. However, the State was included as there is a savings from reduction in cost to health service and contribution to the treasury by paying taxes.

Those stakeholders that were directly affected by the intervention were short listed. Discussions were held with senior Local Authority staff about their role and what changes might occur for their services. Extensive consideration was given to the inclusion of the following stakeholders:

- ◆ Childcare providers
- ◆ Early Years and Childcare Team
- ◆ Childcare Sufficiency Team

Inclusion of any of these three stakeholders was constantly examined throughout the life of the project. Regular reference was made to one of the key objectives: *Costs outside of 'business as usual'* of delivering this intervention. Additional work that was identified at that time was included in the cost of delivery but much of the work would be 'business as usual' in assessing quality of provision (Early Years and Childcare Team) and ensuring the sufficiency of childcare places (Childcare Sufficiency Team)

and it was therefore not considered to be material beyond those costs in terms of assessing impact. The increase of numbers of funded children may have an impact in future but it was not identified in this forecast.

The childcare providers themselves are instrumental in the intervention. However, referencing the objective above, they would be delivering childcare anyway. Much of the cost to the Local Authority of the intervention is paying childcare providers to deliver the childcare and this cost is included under the stakeholder *Local Authority*. The resources available to the project were also a consideration as the childcare providers would have meant a different focus of the report and costly to progress.

After speaking to the head of Commissioning and Enhanced Services it was apparent that not all Local Authority services working with the two-year-old age group would be affected. The services responsible for issuing statements of educational need were excluded because the medical or chronic needs of the 2-year-old age group they assist are so high, the intervention would make no difference. Aspects of Social Care were brought in to include Child in Need (CIN) and Personal, Social and Emotional (PSE) issues in the under fives age group, plus 2-year-old Looked After Children (LAC). It was recognised that impact would occur for some of these children. The savings and redirection of resources is significant even if only a few children are helped, making those stakeholders' inclusion material.

Primary Stakeholders

The primary stakeholders were identified as the children accessing funded childcare places and their immediate families. Children's Centres are also in this group as all referrals, whether self-referred or referred by other agencies are administered by the children centres. This enables the centres to signpost families to support and meets one of the government objectives of the intervention for families.

The following table outlines the reason for inclusion of the primary stakeholders.

Table 1: Primary Stakeholders and reasons for inclusion

Key Stakeholder	Reason for Inclusion
Disadvantaged 2-year-old children	Prime beneficiary of services targeted at disadvantaged two-year-olds to: <ul style="list-style-type: none"> ◆ bridge the gap with their advantaged peers by school age - improved learning in later years ◆ improve self esteem ◆ improve language, social skills, motor skills ◆ have a break from family and home life if difficult ◆ preparation for nursery/school ◆ easier transition to school.
Families	Prime beneficiary of benefits of the time that will be available to: <ul style="list-style-type: none"> ◆ access other services ◆ access support and training ◆ work ◆ access support to understand the needs of child regarding learning ◆ have a break from the child.

Key Stakeholder	Reason for Inclusion
Children's Centres	Important role in making referrals for two-year-old childcare and are sometimes the first contact for the families. As part of their usual business they will continue to support the family once identified. The funded childcare can initiate the first contact with a hard to reach family and is an incentive for getting the families to come to the centre.

Secondary Stakeholders

The secondary stakeholders are the *Local Authority* and the *State* as outlined in Table 2.

Table 2: Secondary stakeholders and reasons for inclusion

Key Stakeholders	Reason for Inclusion
Local Authority	<ul style="list-style-type: none"> ◆ early identification of child's behaviour leading to fewer behavioural issues in school ◆ early identification of Special Educational Needs (SEN) ◆ child overcoming early difficulties and achieving better, requiring less locality/social care involvement with families ◆ parents receiving earlier support ◆ young children prevented from going into care as parents able to cope better ◆ benefits to children with complex SEN
State	<ul style="list-style-type: none"> ◆ benefits such as reduction in cost to health service, reduction in cost of unemployment and increased taxes to treasury

1.5 Stakeholder engagement and data collection

Involvement of stakeholders

The first principle of SROI is the involvement of stakeholders as it is the stakeholders who will be affected by the intervention. This section explains how this was approached for this report.

Children and families

The first step was to find out what changes for the stakeholders. This is usually done through stakeholder engagement in a variety of ways but essentially asking open ended questions^{iv} about their experience. Talking to professionals seemed appropriate as the report was a forecast about an intervention that had not occurred on the projected scale.

It was challenging to comply strictly with SROI standards on the engagement of these two groups of stakeholders. The first principle involves asking those who matter. In this case those who could speak for these stakeholder groups were asked to speak on their behalf and they provided the outcomes that they had witnessed.

^{iv} Examples of open ended questions would be: 'tell us what changed for you, the child, the family?', 'how did you recognise the change and what value would you attribute to that change?'.

Cambridgeshire's Early Years Narrowing the Gap Advisor was approached, along with the manager for assessing quality provision and some children's centres' senior staff, to determine a way of finding out what changes are anticipated for the children and families. These professionals had front line experience with both stakeholder groups and suggested that, for children, enhanced value was achieved in the prime areas of learning for that age group. There is research that shows that child poverty increases the gap in attainment. This intervention starts at an important age, before others commence and gives those children from impoverished backgrounds the start they need to catch up with their peers. They based their view on their experience of working with disadvantaged children, their knowledge of research and their training and skills. The prime areas of learning they referred to are:

- ◆ Personal, social and emotional development
- ◆ Communication and language
- ◆ Physical development.

These areas of learning, which form the basis for the Early Years Foundation Stage assessment framework^v, are considered to be the essential foundations for children's life, learning and success^{vi}. Children will naturally develop in the prime areas but disadvantaged children fall behind³ and may not catch up, therefore there are benefits in starting learning early for these children. Potential problems with language development, special needs and delays in emotional development can be picked up early. Experience in good quality childcare will provide essential foundations for both healthy development and achievement in school and, through this and family support from children's centres, there is potential to narrow the gap between disadvantaged children and other children by school age.

This suggestion was backed up by research which shows that in Department for Education (DfE) evaluations from 2-year-old Pilots, improvement in language skills and parenting relationships were shown. Additionally, further research shows that early interventions can narrow the gap between disadvantaged and other children in cognitive, social and behavioural development increasing the probability of positive outcomes in later life.

Suggestions of changes for the families were around what having that extra time would be like for them, time to do other things such as work, train and have respite. Involvement with the children's centre could result in getting help and advice on a broad range of issues.

It was suggested that we could use the Pilot group to gather feedback on outcomes. Different approaches were considered such as holding focus groups with parents at children's centres to obtain views. A wide variety of information could be gathered in this way through involvement in discussions. A smaller sample could have been taken by talking to just a few parents but at the time of gathering the information, it was decided that a questionnaire would result in more feedback and would also give

^v Sstatutory framework that sets the standards that all Early Years providers must meet to ensure that children learn and develop well and are kept healthy and safe

^{vi} These prime areas were recommended for the youngest by Dame Tickell in her report *The Early Years: Foundations for life, health and learning*.

the opportunity to collect data for projecting how many in a group might be affected by outcomes.

Childcare providers and children's centre staff who had worked with the children in the Pilot were approached to give their observations based on working with the family or reference to Early Years Foundation Stage^{vii} records. Administrators from centres phoned families who had been in the Pilot and interviewed them.

Fifty-five families were selected who had three terms of childcare in the 2010/11 Pilot stage so were in a position to obtain the maximum benefit of the intervention at that time. The questionnaires were thematically constructed around the prime areas of child development and areas of well-being, opportunities and relationship with child for families. Using questions around these themes offered a way to examine areas of child development and work with families that professionals could respond to.

Scales were used ranging from 1 'no change' to 5 'significant change'. The results of the scales were used as a means to determine the number of children from the 1,200 future funded children who would experience **significant** change.

The telephone interviews with families used the questionnaires as prompts. It was possible that the target groups might struggle to identify and articulate what had changed for them without some structure to the questioning. Importantly, the families interviewed had been involved when the intervention was in its very earliest days, when children's centres were still developing their own understanding of the challenges it brings. The families did not have the full benefit of an embedded intervention with all the training, joined up working, experience, developing policy etc that will come. The use of prompts was considered appropriate to draw out comments and get their views.

The second principle of SROI is to understand the theory of change. The change needs to be articulated and evidenced and this was achieved through discussions with professionals and open ended feedback from the questionnaires. The comment boxes captured testimonial information. The results painted a picture of the story of change and made the intervention come alive, enabling the development of the forecast. The outcomes will be explained in Stage 2. Each outcome arrived at through the comments was examined and in order to condense the responses, they were categorised to prevent double counting. See Appendices 2-4 for questionnaire samples.

There were unexpected outcomes from the feedback. One such story was that of a child coming off the Child in Need register. This was certainly down to an improved relationship between parent and child. Another was that of a child who lives in a flat and doesn't get the opportunity to go outside who can have outdoor play at pre-school. Being able to play outdoors would improve their health and gross motor skills and was part of the outcome for physical development. The play outdoors was used as an indicator of this outcome.

^{vii} Compulsory educational targets in England, under the Childcare Act 2006

To maximise stakeholder engagement time, information was gathered for Stages 2, 3 and 4 at the same time although clarification and further discussions did occur afterwards. The information that was collected was shared with interested Local Authority departments and children's centres and Stage 6 explains how the report will be shared.

Children's Centres

Engagement was by interview with children's centre managers from a centre which had been working with the Pilot from its inception^{viii}. The centre has an attached nursery and is in an area of high deprivation and need. This selection simulated what will happen in future when centres, who are new to the extent of the intervention, will be more engaged. The funded intervention means that families are identified early and the work to signpost and support can follow on from the referral process. That work is not within the scope of this report but was discussed and acknowledged.

Local Authority

Information relating to LAC, CIN and SEN was obtained by interviews with senior staff in Children and Young People's Services.

Information regarding schools was obtained by interview and through research. The Effective provision of pre-school education (EPPE) report showed that the benefits of an early start was evident at the end of Key Stage 1. At present, no local research has been conducted regarding Foundation Stage Profile scores for the cohort of children from the Pilot but that is recommended once they reach the end of KS1. This should be picked up in any future evaluation of the intervention.

"EPPE (page 3) shows that a child's duration at pre-school (measured in months) was related to their intellectual gains at school entry and again at the end of Key Stage 1. An early start at pre-school (between 2 and 3 years) was also linked with better intellectual attainment and being more sociable with other children (Peer sociability). The benefits of an early start continue to be evident at the end of Key Stage 1."

State

"Early Intervention promotes social and emotional development that in turn significantly improves mental and physical health, educational attainment and employment opportunities. Early Intervention can also help to prevent criminal behaviour (especially violent behaviour), drug and alcohol misuse and teenage pregnancy. In addition there is a link to reduced child abuse incidences, reduced first-time offending rates (which of course entails a general reduction in offending) and increased numbers of parents participating in training or employment. All of these have a serious impact on society and cost a great deal of public money to address."

...*Early Intervention: Smart Investment, Massive Savings, Chapter 1, para 6*

^{viii} This Cambridgeshire centre has an attached nursery and is in an area where there is high deprivation and need

The benefits were referenced via research based on expected outcomes of raising families out of poverty and from discussions with professionals working with families. There is much to be gained in the 2-year-old childcare intervention as referred to in the above quote; this will lead to savings for the state. The material benefits were considered carefully and two outcomes were selected. The results of the parent questionnaires showed that these benefits were possible as health improved, training was accessed and employment possibilities increased, and in fact, some parents from the Pilot did get jobs or increase hours in jobs they already had.

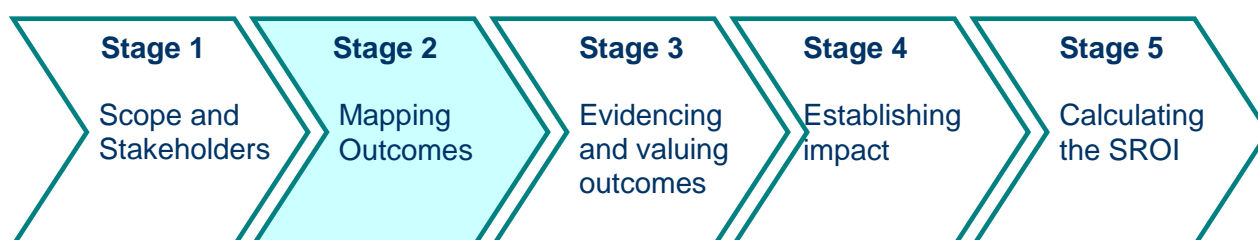
Preventing criminal behaviour, drug and alcohol misuse and teenage pregnancy are all benefits for the future. Had the forecast extended to young adulthood of the children who accessed the childcare, it would have been included but were assessed as too long-term and speculative to merit inclusion. The recommendations suggest following the first cohort through to Key Stage 2 to assess benefits.

Stage 2

Mapping outcomes

2.1 The story of change - inputs, outputs, outcomes

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2.1 The story of change - inputs, outputs, outcomes

The second principle of SROI is understanding what changes. The data analysis and stakeholder feedback identified:

- ◆ Inputs – what the stakeholder contributed to or invested in the activity
- ◆ Outputs – the activity in numbers eg hours
- ◆ Outcomes – what happened as a result of the activity

In Stage 2, the inputs are identified and valued, the outputs are clarified and outcomes are described and these are entered into the SROI Impact Map. The impact map shows the theory, or story, of change. The tables below show the journey from inputs to outputs to outcomes.

Where applicable, some of the comments received during the stakeholder engagement are shown after the relevant table.

The outcomes for children are referred to as ‘enhanced’ development of communication and language, or ‘enhanced’ personal, social and emotional and physical development. This refers to enhancement of what would normally take place without the intervention. The outcome would be to develop in these areas to the level of their more advantaged peers. It does not refer to developing beyond what experts consider to be the norm for that age group.

Table 3: The story of change – Disadvantaged 2-year-old children

	Inputs	Outputs	Outcomes
2-year-old children	Attendance at childcare provision and involvement of parents	1,200 children attend childcare provision	Enhanced development of communication and language
			Enhanced personal, social and emotional development
			Enhanced physical development

Provider observations

“[The child's] confidence and ability to interact with other children has improved hugely. He was very quiet, had little language and was wearing nappies when he started. In a very short space of time he developed an interest in using the toilets and making friends. The child now attends the nursery class 10 hours per week and is a very popular and confident child. The developmental gap has definitely narrowed.”

“[Child] lives in a flat and is able to spend and chooses to spend a lot of his time outdoors. Is now able to concentrate at an activity for an age-appropriate amount of time. “

“[Child] has learnt routines and so developed her independent self-help skills. She is more aware of the needs of others and can wait to take a turn and help another child to do something. She has grown in confidence and especially to speak to get her needs met within a group of children. She can independently access a range of activities and play/toys. Her confidence in the outside play area and her willingness to have a try has increased. When she returned in September she was able to help new children to find things in the room and explain how some things worked - how to get a drink, where the toilets were etc. The two-year-old childcare scheme has been the single most effective initiative that has supported children. Child has a disabled mother and play activities have been limited by her mother's health needs. Extra time in the setting has given her many age-appropriate activities that she would otherwise have missed. The initiative has supported the parents especially as she was eligible for free school meals.”

“He really enjoys outdoor play and exploring the area around him. This child has enjoyed being at the setting and being involved in a range of activities which he would not otherwise have had access to, especially visiting places which are difficult or impossible to get to without a car.”

“He had made good progress which is continuing and he is near his chronological age.”

“Mum highlighted the child as possibly having ADHD when registering him. He was able to modify his behaviour to function effectively within the setting.”

“His social skills have improved and he is able to spend much more time attending to an activity rather than flitting here and there.”

“Child took a long long time to settle into the setting, key person built a strong relationship with parent & child which made a positive affect for all the family. Child has become very independent, willing to seek out others to play, engaging for periods of time in her own play or with others.”

“Some of the children developed so dramatically that they went from avoiding interaction with other children to playing with other children happily, or went from having no speech or language development to speaking and communicating well.”

Parent comments

“His speech has developed really well and he enjoys making friends with other children.”

“Mum has commented that supporting her with understanding how speech develops has helped her to understand how to support her other child and to have realistic expectations of them.”

“Mum commented that he had become much better at sharing.”

“Dad noticed and commented on growing confidence and how well (child) adapted to setting. Dad has also grown in confidence and agreed to become an active volunteer for the Forest school project footprints, which will run for eight weeks.”

“He was very quiet, had little language and was wearing nappies when he started. In a very short space of time he developed an interest in using the toilets and making friends.”

“Mum says he has learned to speak for himself as others (parents/siblings) can not do it for him when he is at Daycare. He has gained in confidence and has learned a lot.”

“Having time away from younger sibling was benefitting the child and her younger sibling. Foster carer commented on how settled she is now and how much her speech had improved, she also commented after the holidays on how ready to come back she was.”

Table 4: The story of change - Families

	Inputs	Outputs	Outcomes
Families	Time involved for engagement with provider and children’s centre and taking child to childcare	15 hours of time to do other things whilst child in childcare	Take up of employment, study and/or training
			Positive change in relationship with child
			Improved sense of well-being, self-esteem and confidence

Children's centre observations and comments

"This family have come such a long way as parents and I believe having the funded childcare meant the little boy could flourish on his own. Now he is changing and they can see the changes, their self-esteem is increasing all the time."

"The very fact that these families are in regular contact with professionals, and sharing concerns means [lower] stress levels for the adults which will have a beneficial effect on the child/ren."

"Parent has gone back to work part time. Things have changed in a positive way. Parent is a lot calmer and understanding."

"The child's parent was less isolated and even managed to do volunteer work at the local children's centre. Mum was able to work more hours."

"Now volunteering with the Children's Centre and looking for work."

"Approximately 10% of these parents suffer some form of mental health issues, and the support network they can access from the Children's Centre is invaluable. We offer Confidence Courses as a first step to helping these parents."

"Family background of domestic violence as well as child's significant speech delay and attention difficulties made his behaviour very hard for mum to manage. Understanding of the reasons for the behaviour and role of play and approach of professionals in the setting and others helped mum to understand how to interact with her child in a calmer and more positive way. Mum has a long history of low self esteem and low confidence, compounded by the domestic violence, and some time for herself and to engage with other positive activities has proved hugely beneficial. Mum has been able to take some assessments and start courses in English and Maths."

"[Parent] has expressed an interest in starting a home based course. Mother suffers with arthritis and does not have good mobility. She is able to do limited walking and drives a car but cannot walk for long periods. Mother is pleased that child has started nursery which allows him to spend time with other adults and children. She has also acknowledged that there has been an improvement in communication skills and that he is making many more sounds."

"Mum is doing some training. She is doing literacy and personal development courses. Mum is in a place where she can start to make personal changes to improve her confidence and self esteem (and stick to changes). All seems much better."

Parent testimonials and comments

"I have felt hugely different as my son's development has improved so much. Given time, when things become easier I may be able to take up opportunities for myself."

"[Child's] behaviour could be hard to manage sometimes, probably due to his speech delay, but it helped us both for him to have some time in day care. Having a break to have some time to myself was a big help so I could feel more positive about managing (child's) behaviour which I know was most likely due to his speech delay but still a challenge at times, especially as I suffer from depression and am not very confident."

Provider observation of parent

"Parent has been able to attend a course about Aspergers and how to deal with it."

"It was good to be able to work with this parent who often asked for advice or strategies that would develop her parenting skills, such as having routines, having clear and developmentally age appropriate expectations and clear boundaries."

"Mum has expressed an interest in taking up a course she can do from home. She is seeking advice from the JobCentre."

"[Parent] has more of an understanding of applying and adapting her parenting skills, such as setting boundaries, and routines. Teamed up with other parents for support and friendship. Is open and transparent with her concerns and willing to accept help. It was good to be able to work with this parent who often asked for advice or strategies that would develop her parenting skills, such as having routines, having clear and developmentally age appropriate expectations and clear boundaries. This parent has commented that certain strategies they have been taught to adopt have helped them to manage situations better. They like the new network of friends who are supportive of each other."

"The parent has been able to have time to turn her hobby into starting a career."

Table 5: The story of change - Children's Centres

	Inputs	Outputs	Outcomes
Children's centres	2 hours average Family Worker time + 1 hour administrator per referral - £35,112	1,200 referrals are processed	Referrals are made
	3 hours Centre time per referral on average	Childcare is offered to 1,200 families	Hard to reach families are identified and engaged in services
		Engagement with 1,200 families in the referral process	Staff confidence increases
		Engagement with 1,200 families in the referral process	Increased workload increases stress levels

Outcomes are not always positive. The increase in workload for the children's centres, with no extra capacity for increased staffing, would cause stress so this was a negative outcome. This negative outcome occurs on a personal level but as it

affects the organisation and its work it is included as an outcome for children’s centres. If staff are stressed, this could have the result of poor customer service and staff taking sick days or going on extended sick leave. This would have an impact on the delivery of services.

Beyond the referral stage, there are many opportunities for children’s centres to work with families that are not within the scope of this report but worth acknowledging. They are able to signpost services and help the families in many ways, through training, advice and support and the cross organisation and agency working that goes on as a result of the funded 2-year-old childcare. With families being identified or coming forward for the childcare placement, there are many opportunities to engage the child and family in support, courses, advice and targeted help. In extreme cases, there will be a Child Protection Plan in place and many agencies will be involved. Some of the agencies and organisations are listed in Appendix 1.

The State and Local Authority

The intervention of the childcare gives parents *time* – time to improve their situation be it through having a chance to have a cup of tea (respite), talking to professionals through to training or employment. This will ultimately lead to healthier families, mentally and physically, resulting in more contribution to the economy. Table 6 illustrates this point.

The Local Authority has a monetary investment. The cost of the intervention per year including the input from children’s centres is £3,607,512 and comprises:

Staff time over and above usual business that relates solely to funded two-year-old children	£146,400
Staff time making referrals	£35,112
Childcare funding	£3,420,000
Publicity and events	£5,000
Support and training – venue and travel costs re briefing sessions for professionals	£1,000

This equates to an intervention cost per family of £3,006.

The other **input** for the Local Authority is the time the child is in childcare thereby allowing early identification of child issues and more time to support families. It is anticipated that this early intervention may help some parents, who would be unable to cope, to get the support they need earlier. Getting this support earlier could mean they won’t need it later.

Table 6: The story of change - State and Local Authority

	Inputs	Outputs	Outcomes
State	The intervention of targeted childcare gives time to families	A proportion of 1,200 disadvantaged families improve outcomes in relation to health	Less demand on health services leads to less drain on public resources
		A proportion of 1,200 disadvantaged families	People in employment reduces social benefits cost and increases

	Inputs	Outputs	Outcomes
		reduce reliance on benefits	contribution of tax and NI
Local Authority (LA)	Investment of £3,572,400 (see above)	Childcare available for 1,200 disadvantaged 2-year-old children	2-year-old childcare intervention is delivered
LA – SEN	Offer of 2-year-old childcare intervention	Children in County with SEN access early childcare	Savings or redirected resources for LA due to: <ul style="list-style-type: none"> ♦ early identification of special needs ♦ parents being supported sooner.
LA – LAC		40 2-year-old children being Looked After attending childcare	Savings or redirected resources for LA due to: <ul style="list-style-type: none"> ♦ better long term attainment for LAC ♦ prevention from going into care
LA – CIN		Eligible children from the 1000 children in age group 0-5 on CIN Register attend early childcare	Savings or redirected resources when a Child comes off Child in Need Register
LA - Schools		Eligible children from 210 children in age group 0-5 identified with personal, social and emotional development actions attend early childcare	Savings or redirected resources for LA due to: <ul style="list-style-type: none"> ♦ early identification of behavioural issues

Overall the outcomes to the Local Authority are a savings in resources. As some services are targeted sooner, as in the case of special needs or behavioural issues being identified earlier, this could reduce demand on services later. The savings will most likely be redirected to other services. Looked After Children who do not return home will become more adoptable as their development and long term attainment improves. Parents coping better will have the preventative effect of some children not going into care.

Local Authority – professionals’ comments

Children can require less need for locality/social care involvement with families, as pressure is reduced on families. Childcare providers can monitor child and support parents, signposting to other professionals eg children centre family workers and avoid children coming into Care.

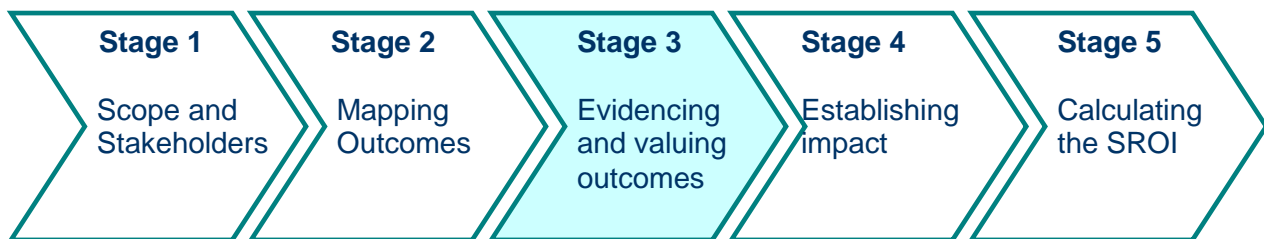
Regarding a child with complex and significant needs – The reduction of stress with emotional and practical support to families and social and developmental gains for the child leads to more likelihood of the child accessing maintained schooling. The two-year-old’s siblings benefit as they may be losing out in families where there is a high needs child. The family is more able to attend appointments or parenting support leading to less family breakdown in the longer term.

Early identification and intervention for developmental and learning needs should mean that by the end of Early Years Foundation Stage, children are achieving better and overcome early difficulties e.g. transitional language delay (if the setting is high quality, research would suggest). [This] should lead to less behavioural issues in school, teaching assistant time, teacher time, support services etc

Stage 3

Evidencing and valuing outcomes

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3.1 Evidencing outcomes

The next stage in the process is to develop the outcome indicators. Understanding what changes, the second principle, is about outcomes and showing that the change has taken place. The indicators show how you know the outcome has occurred and they may form the basis of a future SROI evaluation, so they need to be measurable. The indicators for children and families were taken from questionnaire comments and in future can be used to test whether the outcome occurs.

The third principle, *valuing the things that matter*, is applied when determining measurability and the use of appropriate indicators for this. The indicators must be checked for materiality during this process to be sure that they are a real measure for the outcome.

The indicators that have been chosen are those that professionals, parents and research have supplied. For example, professionals' comments from the questionnaire indicated that they knew a parent's relationship with their child had improved when she understood the value of play and bought toys for her child to play with at home. This helped to create a positive home learning environment. It is

an unusual indicator but applies to some of the families involved who might not have any awareness of the needs of their child. This would pass the materiality check as providing toys for children in the home is a relevant and significant indication that the parent has made a change in their understanding of the child's needs.

Childcare professionals would use Early Years Foundation Stage records kept on the child as indicators to see if they have reached certain milestones. These would be fuller and more extensive than the list here but the indicators for children and families, below, are derived directly from stakeholder feedback.

The table below sets out the indicators for outcomes and how this information was collected.

Table 7: Indicators of outcomes

	Outcomes	Indicators	Source
Disadvantaged 2-year-old-children	Enhanced development of communication and language	<ul style="list-style-type: none"> ◆ No of children using wider vocabulary ◆ No of children with clearer speech and using words to ask for things ◆ No of children giving up comforter enabling language to develop 	Professional's observations, records and telephone interviews using questionnaires (Appendices 3-4) as aids Appendix 3 questionnaire sections G, H and I Appendix 4 questionnaire section F
	Enhanced personal, social and emotional development	No of children: <ul style="list-style-type: none"> ◆ with improved self control, concentration and independence ◆ forming relationships with children and key workers ◆ achieving expression of care and concern for others ◆ learning to follow routines and accept boundaries ◆ able to separate from parents and join in new activities ◆ showing ability to share 	Professional's observations, records and telephone interviews using questionnaires (Appendices 3-4) as aids Appendix 3 questionnaire sections G, H and I Appendix 4 questionnaire sections C and E
	Enhanced physical development	<ul style="list-style-type: none"> ◆ No of children using toilets or becoming toilet trained ◆ No of children drawing or writing (fine motor skills) ◆ No of children using play equipment (gross motor skills) 	Professional's observations, records and telephone interviews using questionnaires (Appendices 3-4) as aids Appendix 3 questionnaire sections G, H and I Appendix 4 questionnaire section F
Families	Take up of employment, study and/or training	No of families: <ul style="list-style-type: none"> ◆ returning to work ◆ increasing work hours ◆ looking for work 	Professional's observations, records and telephone interviews using questionnaires (Appendices

	Outcomes	Indicators	Source
		<ul style="list-style-type: none"> ◆ getting a job ◆ doing volunteer work ◆ accessing courses 	<p>2 and 4) as aids</p> <p>Appendix 2 questionnaire sections E, F and G</p> <p>Appendix 4 questionnaire sections I and J</p>
	Positive change in relationship with child	<ul style="list-style-type: none"> ◆ No of families accessing support and groups ◆ Observations or feedback that parent understands importance of play eg buys toys for child ◆ Observations or feedback that parent learns new strategies to manage behavioural situations better ◆ No of children coming off Child in Need Register 	<p>Professional's observations, records and telephone interviews using questionnaires (Appendices 2 and 4) as aids</p> <p>Appendix 2 questionnaire sections C, F and G</p> <p>Appendix 4 questionnaire sections G and J</p>
	Improved sense of well-being, self-esteem and confidence	<ul style="list-style-type: none"> ◆ No of families needing less support ◆ Observation or feedback that parent is engaging socially ◆ Observation or feedback that parent is healthier ◆ No of families attending groups at children's centre 	<p>Observations, records and telephone interviews using questionnaires (Appendices 2 and 4) as aids</p> <p>Appendix 2 questionnaire sections D, F and G</p> <p>Appendix 4 questionnaire sections H and J</p>
Children's Centres	Referrals are made	No of referrals made	Cambridgeshire County Council processes
	Hard to reach families are identified and engaged in services	<ul style="list-style-type: none"> ◆ No of families with 2-year-olds are identified in children's centre reach area ◆ Ofsted reports show that centres meet targets 	Interview with children's centre from the Pilot stage
	Staff confidence increases	<ul style="list-style-type: none"> ◆ Amount of take up of staff training ◆ Staff feedback on feeling more confident and skilled ◆ Staff feedback on improved knowledge regarding signposting ◆ Staff feedback on feeling sense of well-being 	
	Increased workload increases stress levels	No of staff taking sick leave, short and long term	
State	Less demand on health services leads to less drain on public resources	<ul style="list-style-type: none"> ◆ Feedback from families they are making fewer visits to GP ◆ Feedback and observation of improved mental health ◆ Feedback and observation that physical health improves 	Research, parent questionnaire comments and discussions with professionals
	People in	◆ Reduction in benefits claims	

	Outcomes	Indicators	Source
	employment reduces social benefits cost and increases contribution of tax and NI	<ul style="list-style-type: none"> Coming off benefits altogether Families paying tax and NI 	
Local Authority	2-year-old childcare intervention is delivered	<ul style="list-style-type: none"> Budget allocated and spent Services are delivered Public is made aware of offer Providers get paid 	Cost analysis
LA - Special Needs	Savings or redirected resources for LA due to: <ul style="list-style-type: none"> early identification of special needs parents being supported sooner. 	No of parents using less: <ul style="list-style-type: none"> respite/short breaks/ support from the disability team specialist out of county provision and/or social care involvement 	Discussions with senior professional; Research
LA - Looked After Children (LAC)	Savings or redirected resources for LA due to: <ul style="list-style-type: none"> better long term attainment for LAC prevention from going into care 	<ul style="list-style-type: none"> No of improved FSP scores for LAC No of successful adoptions in the age group as compared with previous years 	Discussion with senior professional
LA - Children in Need	Savings or redirected resources when a Child comes off Child in Need Register	No of CIN at age 2 / 3 who come off CIN Register as compared with previous years	Results on Questionnaire, Appendix 4, section C
LA - Schools	Savings or redirected resources for LA due to: <ul style="list-style-type: none"> early identification of behavioural issues 	<ul style="list-style-type: none"> Feedback on demand of LA services eg Educational Psychologist, teaching assistant, locality/social care involvement with families % of higher scores on Personal, Social, Emotional Development (PSED) compared to previous years 	Interview with senior professional; Research, assumptions based on LA SEN data

3.2 Case Studies

Case studies help to show what form the intervention takes. Three case studies illustrate examples of the intervention.

Case Study 1

The funded child is a girl with English as a second language who started with the playgroup just after her 2nd birthday. The family was identified by Social Care as needing to access a funded two-year-old childcare place as the family were victims of domestic violence which was impacting on the child's emotional well-being.

The family was not in a position to purchase hours of childcare without the funding and the child would have had to be present for some difficult meetings, as the family lacked suitable support systems and in the past unsuitable caregivers had been used.

The two-year-old took time to settle in the setting and the childcare setting provided additional hours to provide stability for her emotionally whenever complex meetings were being held to support the family.

The setting has been able to closely monitor the family's issues relating to neglect and work closely with other agencies to address them. The childcare setting was able to work with the child to develop her emotional well-being and English language.

The two-year-old settled and began to be less watchful and made some strong attachments to staff and children. Her understanding and use of language improved. Without the funding the child would without a doubt not have had a stable environment for her to grow and develop her social, emotional and cognitive skills. *Contributed by a Cambridgeshire childcare provider, October 2012*

Case Study 2

The child's mother was referred to the children's centre through the Young Parent's Programme. The child's father has learning difficulties. The children's centre built a relationship with the mother to include support to access two-year-old funding for the playgroup.

Playgroup staff worked with the family to settle the child. The child was initially distressed at story and singing time, relying on a dummy and blanket but the staff were able to work towards removing the dummy while he was attending playgroup, with the mother's permission. This enabled them to encourage his speech.

The child gradually started to sit and listen to stories, actively taking part and took interest in songs, particularly action songs. If the family had not been able to receive the funding the child would not have been able to attend playgroup and would not have had the necessary access to the Speech and Language therapist. *Contributed by a Cambridgeshire Children's Centre, October 2012*

Case Study 3

The family speak English as a second language and receive benefits for their child who has Down's Syndrome. The children's centre staff worked closely with the family to make them feel welcome and comfortable and encouraged the mother to help with the children's centre Parent's Forum. The good relationships made it possible to help them when considering pre-school options and the child's Special Education Needs. Two-year-old childcare funding was applied for successfully and enabled the child to start at the playgroup with ease and with the appropriate support lined up.

The playgroup were able to provide one-to-one support for the child . At first the child did not settle well and would only settle if a family member stayed. The family were very supportive and worked alongside staff who made suggestions on how to help the child cope with separation including bringing in photos of the mother and father. Staff gradually built up the length of time the child would stay at playgroup without family members, they built up a very close relationship between the child and the one-to-one support worker and the child took part in all aspects of playgroup especially enjoying the story time and singing. *Contributed by a Cambridgeshire Children's Centre, October 2012*

3.3 Quantity of change and duration

Once the outcomes and indicators were identified, quantity of change and duration (how long it lasts) were determined. The following table shows the quantity and how the number was arrived at, plus the duration and the rationale.

The materiality of the low quantities for children's centre negative outcome for stress and outcomes for LA were examined. All of the outcomes relate to genuine predictions of what will affect the organisation. The reasoning for significance of the stress outcome is if staff is stressed, they will not do their jobs effectively. Unconsciously, they may present a bad front to parents who will in turn not wish to engage with the centre. Additionally, staff sick days will lead to work getting behind and if a member of staff goes on long term sick leave, this is a cost against the budget of the absence and of a temporary replacement. This negative outcome is therefore significant for the organisation.

The numbers are low for the first three LA outcomes because there are low numbers of affected 2-year-olds who are eligible in the CIN and LAC numbers, and some special needs are usually identified when the child enters nursery or school. Data is not yet available to determine whether higher numbers will be affected. The school outcome is low because of the lack of data and the desire not to overstate. Despite the low numbers, they are all significant due to the high cost of support.

Table 8: Quantity of change and duration

	Quantity	Derived from	Duration	Rationale
Child – enhanced development of communication and language	768	64% significant change at scale 4/5 from questionnaire data applied to 1,200 children	5 years	Communication and language, once learned, won't diminish after the intervention

	Quantity	Derived from	Duration	Rationale
Child – enhanced personal, social and emotional development	744	62% significant change at scale 4/5 from questionnaire data applied to 1,200 children	5 years	Improvement in this area is built upon and continues
Child – enhanced physical development	648	54% significant change at scale 4/5 from questionnaire data applied to 1,200 children	5 years	Improvement in this area is built upon and continues
Family – take up of employment, study and/or training	348	29% significant change at scale 4/5 from questionnaire data applied to 1,200 families	5 years	Professional feedback is an average across families that will get a job, increase hours, train for a job, get help working on CVs and interviews.
Family – positive change in relationship with child	504	42% significant change at scale 4/5 from questionnaire data applied to 1,200 families	5 years	Understanding gained about development stages and strategies change the way parents relate to the child and this understanding will not cease when the intervention stops
Family - improved sense of well-being, self esteem and confidence	684	57% significant change at scale 4/5 from questionnaire data applied to 1,200 families	3 years	This outcome can fluctuate due to other life experiences and once the child goes to school, the parent will probably not have reason to attend the children's centre unless they have younger children.
Children's Centre – referrals are made	1200	Number of disadvantaged families in Cambs identified by DfE to be funded in 2014	1 year	A referral is made only once and the funding lasts until the term after the child turns 3
Children's Centre - hard to reach families are identified and engaged in services	1200	Number of disadvantaged families in Cambs identified by DfE to be funded in 2014	1 year	New cohort of families each year
Children's Centres – staff confidence increases	50	Number of Family Support Workers and administrators involved in processing referrals	5 years	They will continue to use the experience they gain
Children's Centres – increased workload increases stress	40	Assumed on average, one person from each centre would be affected	2 years	Assumption that as nos of eligible children increase, other processes may be identified and become

	Quantity	Derived from	Duration	Rationale
levels				more efficient
State - Less demand on health services leads to less drain on public resources	34	Assumed low rate of 5% of 684 families who expressed significant improvement in sense of well being because professionals identified a high level of mental issues in families	5 years	Assumption that improved sense of well being, having time to exercise and learning from contact with centres will continue
State - People in employment reduces social benefits cost and increases contribution of tax and NI	17	Assumed low rate of 5% of 348 families who expressed significant change in taking up employment or training because this will be a slow process for many of these families to achieve this	5 years	Assumption that employment or training results last
LA – Special Needs (savings or redirected resources)	5	Assumed 5% of 1,200 to acknowledge this outcome but not to overstate it; figures not known at this time	1 year	LA budgets are determined on a yearly cycle and although redirected services could affect a future year's budget allocation so will many other factors.
LA – Looked After Children (savings or redirected resources)	14	Confirmed that 40 children between age 2 and 5 in care but numbers change. Assumed 35% were age 2	1 year	LA budgets are determined on a yearly cycle and although redirected services could affect a future year's budget allocation so will many other factors.
LA – Children in Need (savings or redirected resources)	12	Assumed 1% as there was one mention of child coming off register out of 55 returns of family questionnaires.	1 year	LA budgets are determined on a yearly cycle and although redirected services could affect a future year's budget allocation so will many other factors.
LA – Schools (savings or redirected resources)	49	Difference in EY Access Funding supported children between 09/10 and 10/11 ^{ix} . Prudent estimate as it is believed that more children will arrive at school ready for education.	2 years	Early identification would mean that two years support in nursery takes place before school age

^{ix} Belief that providers have become better at identifying needs at an earlier age. When disadvantaged 2-year-olds are accessing childcare, these needs will be identified and addressed. The quantity of 49 was chosen as an estimate of the amount of change whilst considering that many of the children will have more complex needs and therefore may need statements. The info comes from CCC data on SEN.

3.4 Valuing the outcome

In SROI, the process of valuing the outcome can include various methods. Asking the stakeholder what value they would put on the change they experience is one method, known as *contingent value*. The *travel cost method* recognises an inconvenience that can be monetised, such as how far you would travel for something you wanted. Another method references existing research, actual savings or costs, or Government data on *average household spending* under categories such as leisure eg cost of family holiday.

Using the contingent value method for this report turned out to be extremely challenging. When stakeholders, such as a manager of a children's centre, were asked, they either found the outcome to be 'priceless' eg beyond value or were unable to articulate a value. It was not easy to grasp the concept of applying a value to something like increased confidence. Where stakeholders could provide an approximation of a value to an outcome, this was used. Where no value could be obtained, discussions were held with colleagues and assumptions were made. Government data and existing research^x were referred to for approximations.

The *children's centre* proxies were arrived at in discussion with staff from two centres. The values were adjusted according to the material outcomes used as the children's centre role continues after the referral is made but this aspect of the job was not valued. Proxies for the *Local Authority* were used that had a direct bearing on the cost of respite or care of a child and were assumed as a value. The proxy used for school was a proportion of salary of a professional's help.

The proxies are estimates of value and do not relate to money changing hands. The fifth principle, *do not over-claim*, and the principle of *materiality* are important when choosing proxies to ensure that the value is not overstated. It is easy to find proxies with huge values that would make the SROI ratio look very high but this view would be inflated and would cause a report to lose credibility. Care was taken to find reasonable proxies and wherever a figure had been given by a stakeholder, to use a proxy with that value. For example, when choosing the proxy for communication, the average hourly earnings increase between 'no qualification' and GCSE A-C was used because improved earnings is a true representation of the value of having language develop. Without catching up in development with peers at school, there will be less chance of going on to higher education and gaining better paid employment.

The table below shows the proxy used for each outcome and the value of the proxy (and therefore the value of the outcome).

^x e.g. Office of National Statistics (ONS), Wikivois (SROI Network database), PSSRU: Personal Social Services Research Unit

Table 9: Financial proxies

	The Outcomes	Financial proxy	Value
Disadvantaged 2-year-old Children	Enhanced development of communication and language	Average hourly earnings increase between no qualification (£6.93/hr) to GCSE A-C or equiv (Level 2) qualification (£8.68/hr) at 37 hours/52 weeks - ONS Earnings by qualification in the UK - 2011	£3,367
	Enhanced Personal, Social and Emotional development	Equivalent of 2 camp activity days per week for 38 weeks (calculation based on daily cost from price list for Barracudas camp in Huntingdon for summer)	£2,812
	Enhanced physical development	Direct and indirect costs of obesity in UK as 24 % obesity levels (BMI > 30) 2006 (NEF report Backing the Future: why investing in children is good for us all)	£2,715
Families	Take up of employment, study and/or training	Average hourly rate £12.60 ^{xi} x 13 hour week x 38 weeks in the year (Annual Survey of Hours and Earnings - 2011 Provisional Results (SOC 2010))	£6,224
	Positive change in relationship with child	Incredible Years parenting programme (PSSRU Unit Costs of Health and Social Care 2011)	£2,400
	Improved sense of well-being, self-esteem and confidence	Centre Parcs Spa Day once a fortnight for a year (Centre Parcs)	£1,794
Children's centres	Hard to reach families are identified and engaged in services	Average cost of CCC honorarium ^{xii} (between £50 and £500) (Cambridgeshire County Council employee benefits)	£300
	Staff confidence increases	Cost of training for an ILM Level 3 Award in Leadership and Management (QA Training (industry training company))	£1,795
	Increased workload increases stress levels	Cost of public sector employee absence 8.1 days a year (Workplace absence costing economy £17bn - CBI / Pfizer survey (2011))	-£1,040
State	Less demand on health services leads to less drain on public resources	Cost of hospital admissions wholly attributable to alcohol (NHS Alcohol-use disorders: alcohol dependence Cost report page 8)	£1,450
	People in employment reduces social benefits cost and increases contribution of tax	Average cost of Jobseekers Allowance (with average calculation) (DirectGov Jobseekers Allowance rate 2012)	£4,137

^{xi} Average rate used because not all disadvantaged families will be low earners.

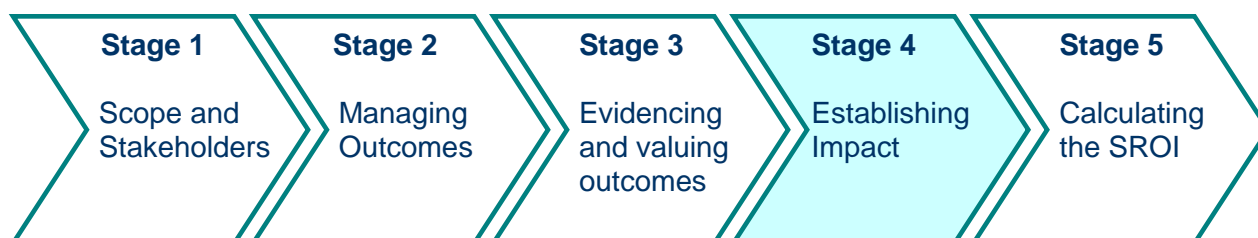
^{xii} An honorarium is a performance related bonus payment. This proxy was used because it implies *added value* of staff identifying hard to reach families (beyond the cost included in the input) and working with them to encourage access to childcare and support services. The referral process is one of great skill in tact, diplomacy and knowledge and understanding of the needs of these families.

	The Outcomes	Financial proxy	Value
	and NI		
LA - SEN	Savings or redirected resources for LA due to: <ul style="list-style-type: none"> ♦ early identification of special needs ♦ parents being supported sooner. 	Average annual cost of respite care per child with low-functioning ASD (PSSRU Unit Costs of Health & Social Care 2011)	£3,169
LA - LAC	Savings or redirected resources for LA due to: <ul style="list-style-type: none"> ♦ better long term attainment for LAC ♦ prevention from going into care 	Average weekly cost (x 52 weeks) for Looked After Children across all shire counties (Unit costs of Health and Social Care 2013)	£36,600
LA - CIN	Savings or redirected resources when a Child comes off Child in Need Register	Average weekly cost (x 52 weeks) for Children in Need across all shire counties (Unit costs of Health and Social Care 2012)	£15,756
LA - Schools	Savings or redirected resources for LA due to: <ul style="list-style-type: none"> ♦ early identification of behavioural issues 	20% of average salary of Educational Psychologist (Cambridgeshire County Council)	£8,164

Stage 4

Establishing impact

4.1	Deadweight, attribution, drop off, displacement	43
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4.1 Deadweight, Attribution, Drop off, Displacement

Having identified outcomes and indicators, the amount of change, how long it lasts and what its value is, it remains to assess the impact. Deadweight, attribution, drop off and displacement is considered next. The following are specialist terms from the SROI analysis:

Deadweight - the SROI manual describes deadweight as “a measure of the amount of outcome that would have happened even if the activity had not taken place”. An example of this would be if a mother provides stimulation to the child using interesting and varied listening and speaking experiences³, then communication may develop to the right level without the attendance at a childcare setting.

Attribution - is the amount of change that could be attributed to other agencies, organisations or people. A list of some of the agencies and organisations can be found in Appendix 1. Although these agencies and organisations work with the children and families, without the intervention, the families would not have come into contact with them.

Drop off - is related to the length of time the outcomes last. This is slightly different to duration and is related to the diminishing impact over time.

Displacement - is where the original situation that the intervention is set up to change, has just moved elsewhere eg cleaning up crime in one area shifts the crime to another area.

There was no displacement found as a result of the intervention.

When assessing the materiality of whether to include an outcome, the deadweight, and attribution are looked at. If the outcome would largely have happened anyway, then although the outcome might be relevant, it would not be significant. The outcomes from this early intervention would not occur, in the majority of cases, because of the barrier of cost to access provision early and no support would be provided until the child accesses a nursery place, or in some cases, school. Additionally, there is low attribution for this intervention because without it, the families would not be in touch with the agencies and organisations which can offer them support. Once the family is approached for the childcare or they approach the children's centre, they are then signposted to these agencies. Due to the low deadweight and attribution, the outcomes remain significant materially.

Taking the three outcomes for children, the data analysis from the questionnaire showed that there was a range of change. In this analysis, only the proportion of children showing *significant change* has been included. Considering that a 2-year-old will develop in some way on his/her own, this *significant change* represents an increased speed or level of development bringing them to the expected level for their age.

There are other reasons for less than significant change. In the outcome *enhanced development of communication and language*, there was 64% *significant change* with 8% *no change*. Several reasons were found for this level of *no change* for the child outcomes. The base line could be higher for some children as expressed in this comment:

"In all of the above areas this child's stage of development was correct for his age and in fact at some points this child was achieving slightly above expectations. The low rating indicate that we were marking from a higher baseline."

Other reasons for *no change* were to do with the lack of involvement of the parent, difficulties experienced within the family or the child having additional needs:

"The child was becoming slightly more confident with their key-worker, but due to lack of continuity in attendance, or the reduced amount of time spent on any day, this was hard to achieve. We tried to work with the parent to help with transitional and attachment issues, however they would often turn up late, leave early, or not turn up at all. The parent was reluctant to leave the upset child which hindered any strategies that were discussed."

"He is making a slow progress but regresses slightly during holidays. There are other professionals involved with the family."

"This child has significant additional needs, and has just received a statement. It is difficult to assess the areas of learning."

Deadweight is low because the majority of children will experience significant changes by attending the childcare. Without the intervention, they will not have the opportunity, for example, to develop their language by listening, being spoken to,

singing, being read to or other ways that 'advantaged' children experience. The following quote expresses an example of overcoming a barrier to language:

"The child relied a lot on his dummy and comforter which meant that his speech was delayed but as he has settled in he needs it very rarely and this has enabled his language to develop at a good rate."

Some disadvantaged children will not speak English and will be in an environment where only another language is spoken. This will put these children far behind if they arrive at school without being able to speak English. For other children, they may not yet be speaking and in the childcare environment, professionals will identify delays and will be able to get speech and language assistance for the child.

Lack of language can cause frustration for the child and the parent. Some have behavioural problems borne of this frustration which in turn affects the relationship between the child and parent.

"Having a break to have some time to myself was a big help so I could feel more positive about managing (child's) behaviour which I know was most likely due to his speech delay but still a challenge at times, especially as I suffer from depression and am not very confident."

"I feel that I understand my son much better now, it was difficult before knowing what he was trying to say. My son has much more confidence now and having the Daycare place has meant that he has been able to catch up with the other children and he won't be as far behind when he starts proper school."

In other cases, the childcare gives the parent the opportunity to discuss concerns with professionals:

"At child in need level when started but signed off quickly after engaging with the setting. This parent has developed in confidence hugely. She has made such progress in the time I have known her. It took a long time for her to feel confident about leaving him and sharing her concerns but as the first term went on, his attendance improved a lot and mum was able to talk to his key worker about her worries and we supported her through them"

"Thought everyone thought she was a bad parent but realised the centre is here to support her. Has been looking at course to go on but during this period was very up and down emotionally"

"Mum has commented that supporting her with understanding how speech develops has helped her to understand how to support her other child and to have realistic expectations of them."

"This family had some very difficult issues to deal with in the earlier days in the setting but accepted help and support and have come such a long way. The child's temperament is much calmer and everything seems to be much calmer"

Almost all of the families are on benefits and would not otherwise be able to afford childcare. Without the childcare, they would not have access to this time. Parents

could discuss concerns with the GP or other health professionals and this possibility is included in the deadweight. In the example relating to speech, this opportunity to understand how language develops would most probably not have happened if the child wasn't in childcare as that learning experience for parents happens over time and in a trusted environment.

The deadweight is low for children and families because the numbers of these stakeholders represents those who experience *significant change* and for children, *enhanced* development. The numbers do not account for *normal* development and *some* change.

Collecting data on the impact was not easy as no base data could be identified. For children and families, stakeholders were asked and for other stakeholders, assumptions were used. The table below shows the deadweight, attribution, drop off and impact.

These figures are not set in stone as different professionals would have different views and new research will arrive at new conclusions. In SROI, it is recognised that this is the case and that assumptions are based on judgement and may be fallible. An attempt has been made not to under or overstate percentages. However, this intervention is not yet tested; an evaluation should examine these figures afresh.

Table 10: Deadweight, attribution, drop off and impact

	Outcomes	Deadweight %	Basis	Attribution %	Basis	Drop off %	Basis	Impact £
Disadvantaged 2-year-olds	Enhanced development of communication and language	10	Assumption is that a few children will have some of the stimulation they need from parents or wider family in order to develop their language	15	Identification through the funded place will ensure the following help: SENCO, SALT and Early Support	0	Because the window is accessed and the foundation built, the effect lasts a lifetime. There is no drop off. Without this scheme many two-year-olds would present with increased behaviour problems and poorer speech by the time they joined a setting at 3 years old.	£1,978,180
	Enhanced personal, social and emotional development	10	Prudent view that some children will start from a higher base line	20	Attributable to SENCO, SALT, Early Support, children's centre and Educational Psychologist	25	There is some drop off as age milestones change but core development is very important	£1,506,332
	Enhanced physical development	5	Some appropriate improvement may occur on its own but focused physical development will happen through childcare provision in most of these cases	25	Assume that health visitor, other family members, other opportunities can assist with this development	25	Good physical development at pre-school age does not diminish but is built upon except where illness or other life crises occur	£1,253,516
Take up of employment,		5	Some parents may take up employment or	20	Attributable to JobCentre Plus,	5	Assumption: once engaged in support, parents will continue to	£1,646,229

	Outcomes	Deadweight %	Basis	Attribution %	Basis	Drop off %	Basis	Impact £
	study and/or training		increase hours but many need support in training and education before they can contemplate applying for jobs. Feedback: without this intervention, families would not have the time for work, or the support of outside agencies		Women's Resource Centre, Pinpoint but mostly attributable to the intervention as it gives the family time to access support		access it therefore either continuing to work or improving chances to do so.	
	Positive change in relationship with child	5	Assumption: Without the childcare in place and the support from the children's centre, very few parents would be able to participate in other activities	10	Attributable to JobCentre Plus, Women's Resource Centre	25	Assumption: once the child is in childcare, parents will continue to access learning through to time child starts school when parent may be working or attending to younger siblings.	£1,034,208
	Improved sense of well-being, self-esteem and confidence	5	Comment: Only other way to get a break is through family or friends. Assumption: without the childcare and support that comes as a result, the opportunity for this	5	Some attribution to mental health charities	20	Assumption: emotional states can fluctuate and are influenced by other events over time	£1,107,454

	Outcomes	Deadweight %	Basis	Attribution %	Basis	Drop off %	Basis	Impact £
			improvement is low					
Children's Centres	Hard to reach families are identified and engaged in services	25	The offer of free childcare brings the families into the centre perhaps for the first time. Assumption that some will already be identified through older siblings or seeking out centre	25	Assumption that some families will be referred through GP, Social Care or other agencies and organisations	0	There are new families with 2-year-olds each year that have not been identified.	£202,500
	Staff confidence increases	25	Assumption that other work will also bring rewards and skills.	25	Attributable to good management, supervision and normal staff development	0	Assumption that once learned, staff continue to be confident with working in this area	£50,484
	Increased workload increases stress levels	10	Assumption that stress through work can happen anyway. It is more possible with an increased workload	10	Could be attributed to staff conflicts or difficult customers but increased with mounting workload	20	Assumption that staff will either find a way to deal with stress or the situation will change.	-£33,696

	Outcomes	Deadweight %	Basis	Attribution %	Basis	Drop off %	Basis	Impact £
State	Less demand on health services leads to less drain on public resources	10	Feedback suggests that without the focused support, very few of the families would improve mental health. Professionals fed back that this accounts for the highest demand on the health services.	25	There is other support accessed, generally through children's centres, such as MIND	25	Assume some drop as life experiences change	£33,473
	People in employment reduces social benefits cost and increases contribution of tax and NI	10	Without focused support very few of these families would improve chances of work	25	Job Centre Plus and other agencies signposted through benefits services	25	Assume drop off as life experience changes	£48,589
LA - SEN	Savings or redirected resources for LA due to: <ul style="list-style-type: none"> • early identification of special needs • parents being supported sooner. 	0	Assumption: for the small cohort of children that would be funded through this scheme, there would be no deadweight	25	Feedback that early identification means support given earlier with other specialist agencies involved.	30	The effect of the early intervention lessens as other support takes over	£11,884

	Outcomes	Deadweight %	Basis	Attribution %	Basis	Drop off %	Basis	Impact £
LA - LAC	Savings or redirected resources for LA due to: <ul style="list-style-type: none"> • better long term attainment for LAC • prevention from going into care 	15	Assumption: enhanced improvement in prime areas of development is largely due to the childcare placement	25	LA services and carer will contribute	0	No drop off as only over one year	£326,655
LA - CIN	Savings or redirected resources when a Child comes off Child in Need Register	25	Assumption: improvement of relationship with child of parent would occur mainly as a result of intervention	25	Social Care and other related organisations and agencies working with the family	0	No drop off as only over one year	£106,353
LA - Schools	Savings or redirected resources for LA due to: <ul style="list-style-type: none"> • early identification of behavioural issues 	20	Assumption: that early identification would be as a result of attending the funded childcare and the other support available through that.	20	Assumption: Identification occurs early mainly through attendance at childcare	50	Assumption that the potential for continued lessening of support is possible but diminishes with changing needs	£256,036

The outcome of savings or redirected resources is important because in these austere times, the LA is being asked to make savings and efficiencies in all areas. Efficiencies in Social Care mean that the bar is raised to assist the most needy. If some of the younger children can get support earlier, it *may* reduce the chance that their needs will escalate.

4.2 Impact

The impact of each outcome is shown in Table 10. The calculation is arrived at in this way:

$$\text{Quantity} \times \text{Financial proxy} - (\text{Deadweight} + \text{Displacement} + \text{Attribution})$$

Drop off is applied to later years and the total of each year is added together for the total value.

The worked example, below, uses an outcome for *families* to show how all the components fit together to show impact. (Numbers have been rounded).

For example:

Outcome for Family – Positive change in relationship with child

Quantity – 504 families

Duration – 5 years

Financial proxy - £2,400 (Incredible Years parenting programme)

Deadweight – 5%

Attribution – 10%

Displacement – none

Drop off – 25%

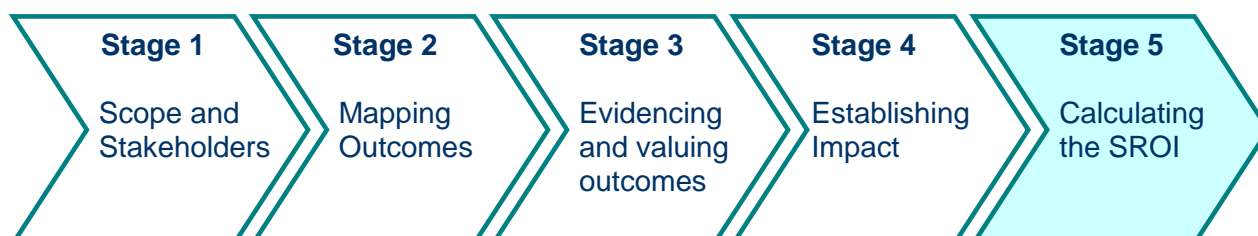
Quantity x proxy	=	1,209,600
1,209,600 less deadweight	=	1,149,120
1,149,120 less attribution	=	1,034,208

Therefore, for the outcome *positive change in relationship with child* has an impact of £1,034,208. This process applies to each outcome. The process is extended in Stage 5 to the full five years reflecting drop off, taking into consideration the net present value and shows final calculations.

Stage 5

Calculating the SROI

5.1	Calculating the SROI	53
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5.1 Calculating the SROI

Once the impact has been established, drop off is applied. Using the same example as in the last section, drop off is 25% so each year is 75% of the previous year:

Outcome for Family – Positive change in relationship with child
Drop off – 25%

Impact	=	1,034,208
Year 2 with drop off	=	775,656
Year 3 with drop off	=	581,742
Year 4 with drop off	=	436,306
Year 5 with drop off	=	327,230
Total value	=	£3,155,142

A net present value calculation is applied for all years beyond the first year. Because the value of £1 decreases over time, we must then reduce the total values in future years to reflect the value today. To do this, we apply a 'discount rate' of 3.5%^{xiii} to each year. For our example, the totals are:

Stakeholder change	Value Year 1	Value Year 2	Value Year 3	Value Year 4	Value Year 5	Total Value
Positive change in relationship with child	£1,034,208	£775,656	£581,742	£436,306	£327,230	£3,155,142
3.5% discount rate applied	£1,034,208	£724,083	£543,062	£407,296	£305,473	£3,014,122

This is showing that at present day values, the social value of *positive change to relationship with child* is £3,014,122. The reduction in value simulates the financial impact of incurring costs now to gain benefits in the future.



The total values for each outcome are calculated in this way and added together after net present value has been applied, across the five years.

All outcomes - year 1 social value	£9,528,197
All outcomes - year 2 social value	£6,988,910
All outcomes - year 3 social value	£5,775,566
All outcomes - year 4 social value	£4,422,863
All outcomes - year 5 social value	£3,869,672
All outcomes - total 5 year social value	£30,585,208



To calculate the ratio, the total net present social value is then divided by the input, or investment.

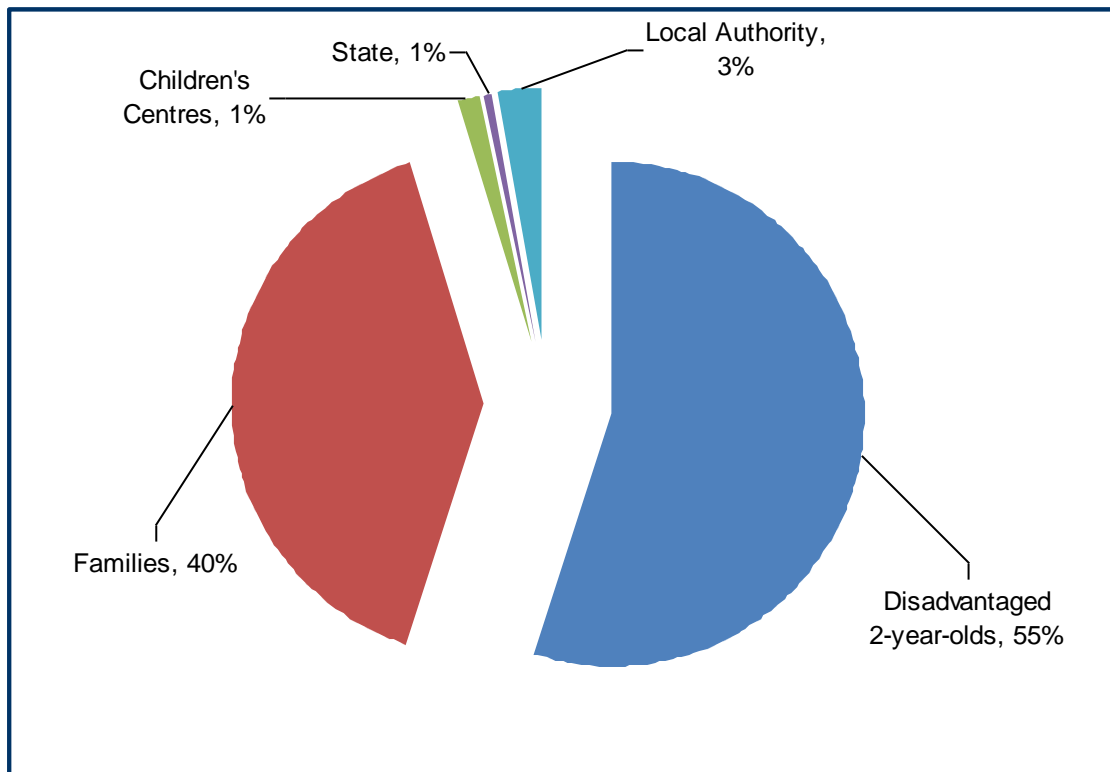
Total present value	=	£30,585,208
Total inputs	=	£3,642,624
SROI ratio	=	£30,585,208 / £3,642,624
SROI ratio	=	£8.40 : £1

^{xiii} HM Treasury, The Green Book, Appraisal and Evaluation in Central Government July 2011

5.2 The value

The early intervention of funded childcare places for disadvantaged two-year-olds delivers a value of £8.40 for every £1 of investment. Over one year the value is £2.62 for every £1 of investment. Over three years the value is £6.12 per £1. The breakdown across the four stakeholders in percentage of value is shown in the following chart.

Chart 1: Value by stakeholder



The chart shows that the highest value is for *disadvantaged 2-year-olds* at 55% followed by 40% for *families*. This is based on the information and data collected during this SROI analysis. The value to the other three stakeholders appears insignificant in comparison. Certainly the *children's centre* contribution is vital; what happens as a result is only touched upon in this report because the analysis stops at the point when the referral is made but that is not the end of the story for the centres. The 1% only reflects the processing of referrals and the impact of that.

The benefits to the *State* are shown as 1% but again, only a small impact was assessed against families who may contribute by decreasing reliance on funded services. There are more benefits to be had, as research concludes, but they are not within the scope of this SROI.

The Local Authority invests a great deal of money into this intervention. It appears they get very little back if you only look at the 3%. So much is unknown at this stage, the data has not yet been collected or analysed as the first cohort of children are only now reaching school. The analysis of the *Local Authority* outcomes is small and based on what professionals anticipate at this stage. Many children currently being

supported, who have not been through the intervention, have very complex issues and needs and without good data, the benefits are just not known at this stage. Overall, the Local Authority may claim the benefit of £8.40 for every £1 invested which serves Cambridgeshire very well.

5.3 Sensitivity Analysis

The final SROI forecast ratio of £8.40 : £1 is based on assumptions. For this reason a sensitivity analysis is conducted to show the extent that the ratio would change if any of the assumptions changed. The sensitivity analysis is not about whether the outcome occurs. It is simply assessing the significance of specific outcomes on the total value of the intervention.

The key checks were on:

- ◆ Financial proxy
- ◆ Drop off
- ◆ Outcome validity
- ◆ Deadweight
- ◆ Attribution
- ◆ Duration.

The principle of materiality requires a check for relevance and significance at every stage of the analysis. Significance of the overall value is determined in this stage. It is a chance to see whether one carries more weight than others and to examine whether this would influence another's decision on the total value. The sensitivity checks show that the total value would remain high even if one of the highest outcomes were removed.

The following chart illustrates the larger percentages of the values by outcomes. The analysis was undertaken on the largest values in excess of 10% to find out if the value of investment was dependent on any one of these single outcomes. Table 11 shows the various changes tested and the results.

Chart 2: Values of outcomes with totals greater than 10%

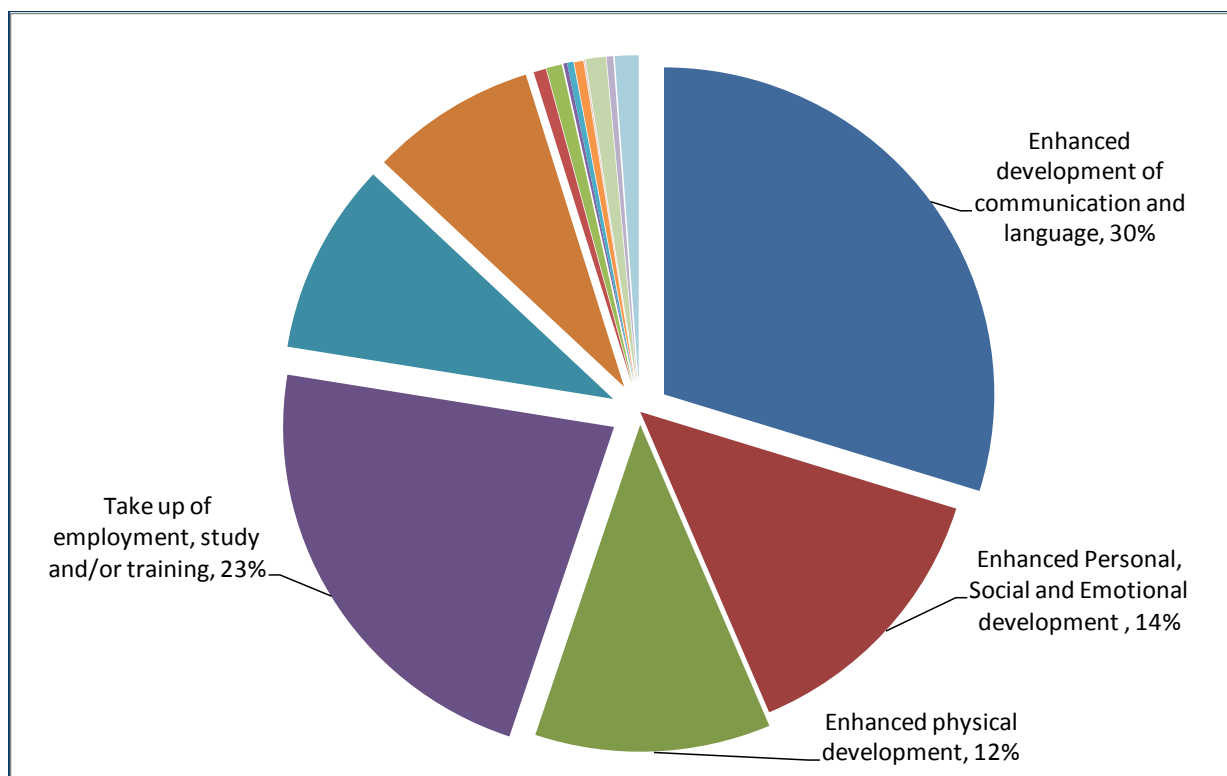


Table 11: Sensitivity analysis of higher outcomes

Outcome	Proxy	Duration	Deadweight	Attribution	Drop off	SROI value	Change in ratio	
Child - Enhanced development of communication and language – 30%	£3,367	5 years	10%	15%	0%	£8.40		
	Trial 1 - decrease value of proxy							
	£1,500	5 years	10%	15%	0%	£7.03	£1.37	
	Trial 2 - increase deadweight and attribution							
	£3,367	5 years	50%	50%	0%	£6.73	£1.67	
Trial 3 - remove the outcome								
0	0	0	0	0	0	£5.93	£2.47	
Trial 4 - decrease the duration to 2 years								
£3,367	2 years	10%	15%	0%	£6.51	£1.89		

Outcome	Proxy	Duration	Deadweight	Attribution	Drop off	SROI value	Change in ratio	
Child - Enhanced personal, social and emotional development – 14%	£2,812	5 years	10%	20%	25%	£8.40		
	Trial 1 - decrease value of proxy							
	£1,000	5 years	10%	20%	25%	£7.64	£0.76	
	Trial 2 - increase drop off							
	£2,812	5 years	10%	20%	100%	£7.63	£0.77	
Trial 3 - remove the outcome								
	0	0	0	0	0	£7.22	£1.18	
Trial 4 - decrease the duration to 2 years								
	£2,812	2 years	10%	20%	25%	£7.92	£0.48	

Outcome	Proxy	Duration	Deadweight	Attribution	Drop off	SROI value	Change in ratio	
Child - Enhanced physical development - 12%	£2,715	5 years	5%	25%	25%	£8.40		
	Trial 1 - decrease value of proxy							
	£1,100	5 years	5%	25%	25%	£7.81	£0.59	
	Trial 2 - increase deadweight and attribution							
	£2,715	5 years	50%	50%	25%	£7.76	£0.64	
Trial 3 - remove the outcome								
	0	0	0	0	0	£7.42	£0.98	
Trial 4 - decrease the duration to 2 years								
	£2,715	2 years	5%	25%	25%	£8.00	£0.40	

Outcome	Proxy	Duration	Deadweight	Attribution	Drop off	SROI value	Change in ratio	
Families – take up of employment, study and/or training - 23%	£6,224	5 years	5%	20%	5%	£8.40		
	Trial 1 - decrease value of proxy							
	£3,000	5 years	5%	20%	5%	£7.43	£0.97	
	Trial 2 - increase deadweight, attribution and drop off							
	£6,224	5 years	50%	50%	50%	£6.80	£1.60	
Trial 3 - remove the outcome								
	0	0	0	0	0	£6.53	£1.87	
Trial 4 - decrease the duration to 2 years								
	£6,224	2 years	5%	20%	5%	£7.38	£1.02	

The sensitivity analysis of the four highest outcomes shows that although the outcome *enhanced development of communication and language* accounts for 30% of the total value, without it, there is still nearly £6 of value in the intervention. It is one of the most significant outcomes affecting 64% of children but the analysis shows that the investment gives value even without this. Given the window of time when language develops, it is expected that the outcome would be high.

There is little effect on the ratios for the outcomes *enhanced personal, social and emotional development* and *enhanced physical development* if amendments are

made to the value of proxy, deadweight, attribution or duration. Removing the outcomes altogether would not impact significantly on overall value.

The outcome *take up of employment, study and/or training* is an important one in raising families out of poverty and disadvantage and affects 23% of the total. The duration was arrived at by assuming an average between families that will get a job, increase hours, train for a job, get help working on CVs and interviews and that for some families, the process would take longer to achieve. Without the childcare place and connection with the children's centre, professional feedback is that these families would not have the time for work, or the support of outside agencies. The total was barely altered by increasing deadweight and attribution, decreasing duration or lowering the value of the proxy. Even if the outcome were completely removed, the value of the intervention would still be £6.53 : £1.

Removing all four of these outcomes results in a ratio of £1.91 : £1. The removal of the highest outcomes does not bring the ratio back to £1 : £1.

Stage 6

Reporting, using and embedding

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6.1 Reporting

SROI places importance on sharing the findings of the final report with stakeholders and also with other interested parties. This will be done through sharing a printed report, through discussions and presentation.

For the primary stakeholders, families may not be interested in the actual ratio but the outcomes from the report can be used as a basis for discussion through the children's centres. Centres can use the findings to discuss support needs with senior management and to show front line staff that the intervention they are involved with is making a difference; therefore, the staff are making a difference. The report will aid understanding of the impact of the intervention and may help in having budgets increased resulting in more staff hours or innovation to assist in the referral process.

Interested parties included in the excluded list of stakeholders will receive a copy of the report and these parties include the senior management team, lead Councillors and the Children's Trust. Since beginning this analysis, a Project Board to oversee the roll out of funded 2-year-old childcare has been established and the findings of the draft analysis have already been presented to them at the time of writing. They will be given a final copy.

The senior management team will include service stakeholders from the report. The findings will be used to influence them and their wider services and highlight areas where benefits from the intervention may save resources for the Local Authority over time. Their continuing interest will be welcome and helpful in taking forward the recommendations.

6.2 Using and embedding

The report will be used to show children's centre staff the social value of what they do. This will ensure buy-in for the collection of data and measuring impact on the intervention in future. The indicators for assessing outcomes came from parents and providers as well as centre staff, but it will be the centre staff who may be collecting it in future. This has yet to be decided but the report can be used to show them how important they are in the intervention.

Equally important will be the use of the report to influence decisions regarding the direction of resources in the Local Authority. Unfortunately, there are finite and ever diminishing resources and where you increase them in one service, another service budget must decrease. The impact of this intervention can be seen as a preventative measure that will save money in future and may strengthen joint working to secure the significant benefits of this intervention.

The ratio shows a great deal of benefit in the intervention and this could be used to ensure that budget is available for further development of the intervention. Changes are already in progress in early years services across the board since starting this report and areas such as specific training for the 2-year-old age group providers is already taking place. There is cross departmental working as the Local Authority realises that this intervention includes and affects many services. This report will identify the value to these various services. This in turn may influence the distribution of resources.

6.3 Assurance

In order to give credibility to the report, it has been submitted for assurance. This is done by the SROI Network and will focus on compliance with the principles of good practice in SROI.

6.4 Conclusion

The question: What is the value to Cambridgeshire of investing in the two-year-old childcare programme?

The answer: for every £1 invested there is a social return of £8.40.

Of course, the answer is more than a ratio. It is apparent that the value to disadvantaged two-year-olds and their families is enormous. Research for this report gave a brief glimpse of outcomes for children and families accessing childcare when the intervention was a pilot. As multi-agency and cross departmental work develops further, there is the potential for even better outcomes to children and their families.

This intervention starts at an important age, before other ones commence. Special Needs will be identified earlier, help will be given with speech and language at the optimum time, families will be supported earlier. Having the intervention start at the age of two has a massive positive impact.

As stated in the introduction, there is a window at the age of two where synapses (pathways) are laid in the brain at a great rate. These pathways are influenced by experience and the activities, modelling and relationships formed in the childcare setting will give good foundations for this development to occur. The window for this process is during the two-year-old period. If the development is delayed during this window, it is possible that this will have a lasting negative effect because the child will have **fewer connections or no connections** for developing strength in those areas³. The intervention is important.

6.5 Recommendations

In order to assess the outcomes as more disadvantaged two-year-olds are funded and more families benefit, we need to ensure that we have robust systems in place to collect the data on this intervention. This will inform future reporting. As more children are funded, and as the benefits to the families become more apparent, there will need to be changes in the ways teams work for the benefit of the two-year-olds. This may mean that additional funding needs to be put into support for families. Recommendations are as follows:

Data collection and reporting

- ◆ Improve the way that data is collected on the funded two-year-olds by an identifier in the ONE database that is made available to the Early Years Funding Team, Social Care, Children's Centres and professionals in the Local Authority working with disadvantage.
- ◆ Monitor and report on outcomes identified for the funded children and ensure this is fed back to children's centres, families and providers.
- ◆ Monitor and report on the number of children prevented from going into care through this early intervention.
- ◆ Track the funded children who are Looked After to determine the extent that their outcomes improve.
- ◆ Gather Foundation Stage Profile (FSP) information on funded children through Key Stage 1 and analyse against their non-funded peers.
- ◆ Collect baseline information by children's centres on family circumstances at the point they come into the centre and how they change as a result of the childcare.
- ◆ Gather evidence on the outcomes for funded two-year-olds at the end of Key Stage 2 (which the first cohort will reach in 2017/18), to assess whether there is any significant difference between funded two-year-old and no-funded children in similar circumstances.
- ◆ Conduct further analysis of funded children to compare outcomes of those who took up the childcare against those who did not.
- ◆ Monitor educational attainment for funded two-year-olds throughout school career.
- ◆ Commission an evaluative SROI report to determine the benefit from the first year where 15 hours a week will be offered from September 2013 to July 2014

and on to Foundation Stage 1. This would be the first cohort through the established scheme attending the full 15 hours a week.

Children's Centres

- ◆ Strengthen family support offer linked to funded 2-year-old childcare as the report shows that they derive 40% of the value of the intervention.
- ◆ The strain of referring increasing numbers of funded children is evidenced by the 'Higher stress levels for staff' outcome. New ways of managing referrals should be examined with the workload shared between other services and/or additional staffing resource input.

6.6 Reflections

Reading the children's centres', parents' and providers' comments and talking to professionals working in with this age group made the intervention come alive. Many of those comments have been included in this report. Reading about the developmental window during research for the report gave a sense of urgency for the programme to be rolled out.

Regarding the use of questionnaires, on reflection they were complicated and using categories indicated pre-defined outcomes and made them potentially leading. In future, other ways of engaging with the primary stakeholders would be examined. There was a wealth of information that came back but if conducting an evaluation, face to face meetings would allow for more spontaneous conversation.

The figures in *Chart 1 - Value to stakeholders* were surprising. The SROI is based largely on assumptions and there was such a wealth of information gathered from the children and their families that they became the focus of the benefits. Although there are savings for the Local Authority, the social value represents only 2% of the total. It is likely that the value to the Local Authority only accrues over the longer term and is harder to identify at this point. That is why it is important to evaluate a further period of time once the benefits have come to fruition.

The figures are convincing that the intervention brings value, that it is important and that it needs to continue. It is life changing.

AUDIT TRAIL

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Stakeholders excluded

Table 12 shows the stakeholders that were considered but which were excluded. Only stakeholders who had a material contribution to outcome or were affected by it in a significant way were included.

Table 12: Excluded stakeholders

Stakeholder	Reason for exclusion
Local Authority:	
Children and Young People Services Senior Management Team	No significant material change identified. They want to see outcomes improve as they are accountable for results and knowledge of the scheme enables prioritisation of budgets. They need confidence in the information they are being presented with as they influence decision making. They may receive a copy of the report.
Commissioning Enhanced Services - statements	No change identified to the service responsible for statements. The Head of Service confirmed that this cohort has the most severe, chronic disabilities and will need continued support eg children supported may have high level medical needs which will not diminish with early childcare. There appears to be no change for them if a child starts funded childcare from the age of two.
Early Years Funding Team	Team responsible for processing claims for funding. Any increase in workload of staff is picked up in the costing.
Early Years & Childcare Service	No material change in what is already offered. They license providers and so will influence the supply of places and they are accountable for Narrowing the Gap so they may receive a copy of the report. Costs for targeted work in developing the quality of provision are included in the cost analysis.
Cabinet /lead Members	No material change to Members identified. They want to see outcomes improve as they are politically accountable for results and knowledge of this scheme enables prioritisation of budgets related to this. They need confidence in the information they are being presented with as they influence decision making.
Sufficiency Team	May need to do specific development in places where there is no

	provision for the two-year-olds but any extra cost for this team is picked up in the cost analysis.
Support for Learning	Any impact relates to earlier identification of children with chronic needs in a few cases. These are captured under the SEN outcomes for the Local Authority. The structure of the work of the team will change with less need for Portage time before nursery and more need for Specialist Teacher time as the child goes into nursery sooner. As this change relates completely to children with chronic special needs and the budget for the service will not change but goes on as usual, it was decided not to include Support for Learning as stakeholders.
Others	
Children's Trust	No significant change identified. They can influence decision making and need to understand this initiative and take a view on whether it has positive impact or not, so they may receive a copy of the report.
Department for Education	No significant change identified.
Providers	Although they would be affected as they may receive more business and wanting to be included in the scheme could affect how they configure their provision and encourage the setting to better quality, it is not material within the scope of this report as they will be running their business as usual.

Outcomes excluded

There was a potential outcome of improved Key Stage 1 scores. This was excluded because there was no data showing this potential outcome as yet. Funded disadvantaged 2-year-olds from the Pilot are only now starting school. It has been recommended to include this in a future evaluation.

The questionnaire feedback produced a wealth of feedback. These were categorised in outcome themes to prevent over-counting. An unexpected outcome was that of a child coming off the Child in Need Register. This was originally an outcome on its own for families but later used as an indicator of the outcome *positive change in relationship with child*. Some of the feedback produced good indicators for outcomes so these were included in that way.

There were numerous outcomes resulting from the children's centre interview. A great deal of thought went into determining which ones were relevant to this report. The work they do beyond the referral is not included in this report analysis. The outcomes included were just the ones relating to making referrals. This meant the inclusion of one negative outcome – *increased stress levels*. There is a real worry about the workload and the increase in numbers will mean that systems and processes will have to change over the next year to accommodate this.

The outcomes for the *State* fluctuated between three outcomes, no outcomes and settled on two outcomes. The second outcome was originally split into two outcomes relating to *working and paying taxes* and *reducing social benefits*. The contribution to

the state is an important one to note in the report – its significance is about right at 1%. There is no way to tell if there will be a savings of one family going off benefits and paying taxes and another going on benefits and not paying taxes. It seemed to negate the actual savings in that way but long term, families being in work is valuable in more ways than just paying taxes so in the final analysis, it was included.

A Local Authority outcome relating to *improved performance at KSI* was originally included. If this benefit is partly attributable to the intervention, it fulfils in part, an LA statutory responsibility of improved outcomes for children. However, it isn't yet clear whether this outcome would affect a large cohort of funded children or just some. The deadweight and attribution, by school age, might be so high that the outcome would be immaterial to this report. It was excluded but the recommendations suggest that data be collected on the Foundation Stage Profile scores and analysed. The inclusion as an outcome for children would be double counting the gains in the prime areas of learning already incorporated.

There are costs to the Local Authority in supporting very young children. It is not yet known whether this intervention will produce savings, it is more likely that the resources will be redirected to other children. The neediest children qualify for support because of budget constraints and it is for this reason that the quantity of change was only 2% of the 1,200 children. The baseline the neediest children are starting from may mean that it is too far to go in such a short time to move to a level of not needing support. The 2% represents the small steps for many children and families on their journey to needing less or no support.

Proxies excluded

Proxies were chosen that showed an approximation of the value and made some kind of logical sense relating to the outcome.

Table 13: Proxies excluded

Enhanced Personal, Social and Emotional development			
<i>£ used</i>	<i>Proxy</i>	<i>£ not used</i>	<i>Proxy</i>
2,812	Equivalent of 2 camp activity days per week for 38 weeks	100,000	Cost of holding a person in a young offender institution ⁹
		8,246	Cost of an ASBO ¹⁰

The proxy Cost of an ASBO could have been justified as it reflects what could happen should this appropriate development not take place. Studies show there is a link between early childhood and later criminality. However, there was the possibility that either of the proxies not used could 1) weight an outcome out of proportion with other equally important outcomes for the child and 2) not reflect the value to the child, but more to the state. The proxy that was chosen is an equivalent value to enjoying the experience of nursery, playing, making friends, having positive experiences and engaging in group activities.

Take up of employment, study and/or training			
<i>£ used</i>	<i>Proxy and source</i>	<i>£ not used</i>	<i>Proxy</i>
6,224	Average hourly rate £12.60 x 13 hours x 38 weeks	23,310	Average hourly rate £12.60 ¹¹ x 37 hours x 50 weeks.

The higher figure for improved employment chances was used initially to reflect the change of not working to working full time or two members of one family working part time. However, the childcare is 15 hours per week so the likelihood is that work, study or training could be taken up only within this time. The revised figure of £6,224 was then used to reflect average earnings of parents moving toward work, taking up more hours or getting a job. It does not imply that all of these parents will be in work as it is appreciated that it can take some time to get to that point.

Glossary

Term or abbreviation	Explanation
Children's Centre ¹²	A community resource providing information and services for children aged 0-5 and their families or carers
Attribution	The amount of change that could be attributed to other agencies, organisations or people
CIN	Child in Need - defined as being "in need" under section 17 of the Children Act 1989 (CA 1989) are those whose vulnerability is such that they are unlikely to reach or maintain a satisfactory level of health or development, or their health and development will be significantly impaired, without the provision of services, plus those who are disabled.
Deadweight	A measure of the amount of outcome that would have happened even if the activity had not taken place
Discount rate	The interest rate used to bring future amounts to current prices
Displacement	Where the original situation that the intervention is set up to change has just moved elsewhere.
Drop-off	Related to the length of time the outcomes last, growing less in future years
Duration	The length of time the outcome lasts
Early Years Funding	Government funded three and four-year-old childcare
FSP	Foundation Stage Profile – data results on government funded children at the end of Early Years Foundation Stage
Impact	In SROI, it is the financial value before drop off and is calculated as outcome less deadweight and attribution over the duration
Impact Map	An excel spreadsheet used to capture all the information to be able to calculate the final ratio
Indicator	What demonstrated that the outcome was happening
Inputs	Investment of stakeholders which could be financial or non-financial
LAC	Looked After Children
Net present value	Today's value of money for future amounts taking inflation into account. For SROI this is less the investment
Outcome	What happens as the result of an activity
Outputs	A description of the summary of activities in numbers
Proxy	A monetised approximation of value of an outcome
Provider	A person or group delivering childcare. Sometimes used interchangeably with 'Setting'
Scope	Defined in SROI as the activities, timescale, boundaries and type of analysis.
SEN	Special Educational Needs
Sensitivity Analysis	An assessment of changes to the SROI ratio and their impact on the total
Setting	A person or group delivering childcare. Sometimes used interchangeably with 'Provider'
Social return ratio	The final ratio that tells for every £1 of investment, there is a return of X. It is derived by dividing the total net present value by the investment
Stakeholders	Those people, organisations or groups that experience change as a result of the activity. This can be negative as well as positive
TA	Teaching Assistant

Appendix 1: Attribution

A8PCSO These are Police Community Support Officers who are classified A8 which stands for Additional 8 languages. In the Wisbech area these are mostly Eastern European: Lithuanian, Polish, Russian, Latvian, Hungarian, Portuguese. The officers support police officers and provide a uniformed presence on the street. Their purpose is to tackle anti-social behaviour and provide the public with reassurance.
Cambridge Women's Aid Charity offering advice, information and support to women experiencing domestic abuse. Offer a Freedom Programme for women who want to understand how the abusive relationships happened and to regain confidence and self-esteem ¹³ .
Early Years Support Teams
Educational Psychologists
Health Visitors
IDAP (Integrated Domestic Abuse Programme)
Job Centre Plus
MARAC (Multi-Agency Risk Assessment Conference) The MARAC is a victim-focused meeting where information is shared on the highest risk cases of domestic abuse between criminal justice, health, child protection, housing practitioners, IDVAs (Independent Domestic Violence Advocate) as well as other specialists from the statutory and voluntary sectors. ¹⁴
MIND (mental health charity)
Pinpoint¹⁵ Web based one stop shop for parents by parents in Cambridgeshire to get the information they need to help them support their child and family.
Police Investigate domestic abuse, provide advice about how to stay safe and reduce risks to victims and children
SALT Speech and Language Therapy
Schools
SEN (special educational needs) Co-ordinators
Social Services Domestic Violence Team Support team in the LA working with domestic violence in families.
Speech Therapists
Women's Resource Centre Offer the space and resources for accredited training, emotional and practical support, networking and friendship for women ¹⁶ .
Young Parent's Programme Commissioned by the Children's Centre to support parents under 20 years old

Appendix 2: Questionnaire relating to the Parent/Carer

- A. Child's ID Code
- B. Referrer
- B.1 Name of professional and position
- B.2 Estimate of time you worked with the family

Please give your assessment as a result of observation, speaking to the parent or records (if you do not know or it is not applicable, leave blank):

- C. Parent/Carer's relationship with child** Place an 'x' in the box that applies
- C.1 Communication with the child No change 1 2 3 4 5 Significant change
- C.2 Parenting skills No change 1 2 3 4 5 Significant change
- C.3 Understanding the value of play No change 1 2 3 4 5 Significant change
- C.4 Other outcomes of significant change

- D. Parent sense of well being** Place an 'x' in the box that applies
- D.1 Change in self-esteem and confidence No change 1 2 3 4 5 Significant change
- D.2 Time for other activities No change 1 2 3 4 5 Significant change
- D.3 Opportunity for social engagement eg friendships No change 1 2 3 4 5 Significant change
- D.4 Other outcomes of significant change

- E. Opportunities for parent/carer** Place an 'x' in the box that applies
- E.1 Has parent's employment status changed? No change 1 2 3 4 5 Significant change
 a) new job b) increased hours c) job searching d) given up work e) none of these a) b) c) d) e)
- E.2 Has parent accessed any training or courses as a result of the childcare? No change 1 2 3 4 5 Significant change
- E.3 List below:

- E.4 Other opportunities of significant value

- F. Any other comments from professional**
-

- G. Observed Parent/Carer comments regarding changes which related to them**
-

Appendix 3: Questionnaire relating to the Child

A. **Provider**

Person completing form and position

B. **Child's ID Code**

C. **Number of terms at setting** 1 2 3

Please give your assessment of change for the child as a result of the childcare placement with reference to observations and development records (if is not applicable, leave blank):

D.	<u>Personal, social and emotional development</u>		Place an 'x' in the box that applies	
D.1	Has the child's behaviour and self control changed?	No change	1 <input style="width: 20px; height: 20px;" type="checkbox"/> 2 <input style="width: 20px; height: 20px;" type="checkbox"/> 3 <input style="width: 20px; height: 20px;" type="checkbox"/> 4 <input style="width: 20px; height: 20px;" type="checkbox"/> 5 <input style="width: 20px; height: 20px;" type="checkbox"/> Significant change	
D.2	Has their ability to listen changed?	No change	1 <input style="width: 20px; height: 20px;" type="checkbox"/> 2 <input style="width: 20px; height: 20px;" type="checkbox"/> 3 <input style="width: 20px; height: 20px;" type="checkbox"/> 4 <input style="width: 20px; height: 20px;" type="checkbox"/> 5 <input style="width: 20px; height: 20px;" type="checkbox"/> Significant change	
D.3	Has the child's ability to make relationships changed?	No change	1 <input style="width: 20px; height: 20px;" type="checkbox"/> 2 <input style="width: 20px; height: 20px;" type="checkbox"/> 3 <input style="width: 20px; height: 20px;" type="checkbox"/> 4 <input style="width: 20px; height: 20px;" type="checkbox"/> 5 <input style="width: 20px; height: 20px;" type="checkbox"/> Significant change	
D.4	Has the child's self-esteem and confidence changed?	No change	1 <input style="width: 20px; height: 20px;" type="checkbox"/> 2 <input style="width: 20px; height: 20px;" type="checkbox"/> 3 <input style="width: 20px; height: 20px;" type="checkbox"/> 4 <input style="width: 20px; height: 20px;" type="checkbox"/> 5 <input style="width: 20px; height: 20px;" type="checkbox"/> Significant change	
E.	<u>Communication and language</u>		Place an 'x' in the box that applies	
E.1	Has speaking and listening with adults changed?	No change	1 <input style="width: 20px; height: 20px;" type="checkbox"/> 2 <input style="width: 20px; height: 20px;" type="checkbox"/> 3 <input style="width: 20px; height: 20px;" type="checkbox"/> 4 <input style="width: 20px; height: 20px;" type="checkbox"/> 5 <input style="width: 20px; height: 20px;" type="checkbox"/> Significant change	
E.2	Has speaking and listening with other children changed?	No change	1 <input style="width: 20px; height: 20px;" type="checkbox"/> 2 <input style="width: 20px; height: 20px;" type="checkbox"/> 3 <input style="width: 20px; height: 20px;" type="checkbox"/> 4 <input style="width: 20px; height: 20px;" type="checkbox"/> 5 <input style="width: 20px; height: 20px;" type="checkbox"/> Significant change	
E.3	Has the development of language changed?	No change	1 <input style="width: 20px; height: 20px;" type="checkbox"/> 2 <input style="width: 20px; height: 20px;" type="checkbox"/> 3 <input style="width: 20px; height: 20px;" type="checkbox"/> 4 <input style="width: 20px; height: 20px;" type="checkbox"/> 5 <input style="width: 20px; height: 20px;" type="checkbox"/> Significant change	
E.4	Is there a change in the range of purpose within the child's language?	No change	1 <input style="width: 20px; height: 20px;" type="checkbox"/> 2 <input style="width: 20px; height: 20px;" type="checkbox"/> 3 <input style="width: 20px; height: 20px;" type="checkbox"/> 4 <input style="width: 20px; height: 20px;" type="checkbox"/> 5 <input style="width: 20px; height: 20px;" type="checkbox"/> Significant change	
F.	<u>Physical development</u>		Place an 'x' in the box that applies	
F.1	Has the child shown an increased awareness of his/her self care needs?	No change	1 <input style="width: 20px; height: 20px;" type="checkbox"/> 2 <input style="width: 20px; height: 20px;" type="checkbox"/> 3 <input style="width: 20px; height: 20px;" type="checkbox"/> 4 <input style="width: 20px; height: 20px;" type="checkbox"/> 5 <input style="width: 20px; height: 20px;" type="checkbox"/> Significant change	
F.2	Has the child's expressive communication through actions and sound changed?	No change	1 <input style="width: 20px; height: 20px;" type="checkbox"/> 2 <input style="width: 20px; height: 20px;" type="checkbox"/> 3 <input style="width: 20px; height: 20px;" type="checkbox"/> 4 <input style="width: 20px; height: 20px;" type="checkbox"/> 5 <input style="width: 20px; height: 20px;" type="checkbox"/> Significant change	

G. Other outcomes
 What outcomes, other than those potential outcomes identified above, have you noticed through your work with this child?

H. Any other comments

I. Observed parent/carer comments regarding what change they saw in the child

Appendix 4: Questionnaire relating to the child and parent

Parent/Carer Questionnaire by telephone

This questionnaire is designed to be used by a FIW, PSA or other to conduct a brief telephone (or face to face) interview. *The questions may need to be re-phrased and are not meant to be read verbatim.* Only key points from the parent/carers need be recorded under 'Comments'. The questions relate to the effect or change for the parent/carers or child as a result of attending the funded childcare place.

A. Child's ID Code

B. Name of interviewer

Position (Referrer, FIW, PSA or other)

C. Child's personal, social and emotional development

Have you seen any change in your child regarding:

Place an 'x' in the box that applies

C.1 Behaviour

No change 1 2 3 4 5 Significant change

C.2 Friendships

No change 1 2 3 4 5 Significant change

C.3 Self esteem and confidence

No change 1 2 3 4 5 Significant change

C.4 Comments:

D. Child's communication and language

Have you seen a change in your child regarding:

Place an 'x' in the box that applies

D.1 Communication with adults

No change 1 2 3 4 5 Significant change

D.2 Communication with other children

No change 1 2 3 4 5 Significant change

D.3 Use of language

No change 1 2 3 4 5 Significant change

D.4 Comments:

E. Any other comments about the change for the child

F. Child's physical development

- Have you seen a change in your child regarding:
- Place an 'x' in the box that applies
- | | | | | | | | | | | | | | |
|-----|--|-----------|---|--------------------------|---|--------------------------|---|--------------------------|---|--------------------------|---|--------------------------|--------------------|
| F.1 | Large muscle actions - eg climbing, balancing | No change | 1 | <input type="checkbox"/> | 2 | <input type="checkbox"/> | 3 | <input type="checkbox"/> | 4 | <input type="checkbox"/> | 5 | <input type="checkbox"/> | Significant change |
| F.2 | Fine movements of fingers and hands eg gripping and twisting | No change | 1 | <input type="checkbox"/> | 2 | <input type="checkbox"/> | 3 | <input type="checkbox"/> | 4 | <input type="checkbox"/> | 5 | <input type="checkbox"/> | Significant change |
| F.3 | Letting you know what they need eg drink, sleep, toilet | No change | 1 | <input type="checkbox"/> | 2 | <input type="checkbox"/> | 3 | <input type="checkbox"/> | 4 | <input type="checkbox"/> | 5 | <input type="checkbox"/> | Significant change |
| F.4 | Reaction to music or other stimuli eg seeing a plane or person they know | No change | 1 | <input type="checkbox"/> | 2 | <input type="checkbox"/> | 3 | <input type="checkbox"/> | 4 | <input type="checkbox"/> | 5 | <input type="checkbox"/> | Significant change |
| F.5 | Comments: | | | | | | | | | | | | |

G. Parent/Carer's relationship with child

- Have you found any change in your relationship with the child?
- Place an 'x' in the box that applies
- | | | | | | | | | | | | | | |
|-----|--|-----------|---|--------------------------|---|--------------------------|---|--------------------------|---|--------------------------|---|--------------------------|--------------------|
| G.1 | Comments: (eg parenting skills, communication, playing with child, greater understanding of needs etc) | No change | 1 | <input type="checkbox"/> | 2 | <input type="checkbox"/> | 3 | <input type="checkbox"/> | 4 | <input type="checkbox"/> | 5 | <input type="checkbox"/> | Significant change |
|-----|--|-----------|---|--------------------------|---|--------------------------|---|--------------------------|---|--------------------------|---|--------------------------|--------------------|

H. Parent sense of well being

- Did you notice any change in how you felt in yourself?
- Place an 'x' in the box that applies
- | | | | | | | | | | | | | | |
|-----|---|-----------|---|--------------------------|---|--------------------------|---|--------------------------|---|--------------------------|---|--------------------------|--------------------|
| H.1 | Comments: (eg change in self-esteem and confidence, time for other activities, opportunity for social engagement/ friendships, state of mind) | No change | 1 | <input type="checkbox"/> | 2 | <input type="checkbox"/> | 3 | <input type="checkbox"/> | 4 | <input type="checkbox"/> | 5 | <input type="checkbox"/> | Significant change |
|-----|---|-----------|---|--------------------------|---|--------------------------|---|--------------------------|---|--------------------------|---|--------------------------|--------------------|

I. Opportunities for parent/carer

- Has the use of childcare created any opportunities for you?
- Place an 'x' in the box that applies
- | | | | | | | | | | | | | | |
|-----|---|-----------|---|--------------------------|---|--------------------------|---|--------------------------|---|--------------------------|---|--------------------------|--------------------|
| I.1 | Comments: (eg found employment, engaged in other courses (which ones?)) | No change | 1 | <input type="checkbox"/> | 2 | <input type="checkbox"/> | 3 | <input type="checkbox"/> | 4 | <input type="checkbox"/> | 5 | <input type="checkbox"/> | Significant change |
|-----|---|-----------|---|--------------------------|---|--------------------------|---|--------------------------|---|--------------------------|---|--------------------------|--------------------|

J. Parent/Carer comments or testimonial regarding own experience

Endnotes

- ¹ *Free Early Learning and Childcare – The Offer for Two-Year-Olds, A guidance document for local authorities* DCSF Publications (July 2009)
- ² *Early Intervention: Smart Investment, Massive Savings* by Graham Allen MP. Cabinet Office 2011
- ³ Fletcher, J. (2004) *Making Connections: Helping Children Build Their Brains*. Storrs, CT: National Network for Child Care *Citing electronic sources of information* [WWW] Wordpress. Available from : <http://thevivacious7.wordpress.com/2007/05/15/making-connections-helping-children-build-their-brains/> [Accessed 23 October 2012].
- Brotherson, S. (2005) *Understanding Brain Development in Young Children* [WWW] NDSU. North Dakota. Available from : <http://www.ag.ndsu.edu/pubs/yf/famsci/fs609w.htm> [Accessed 23 October 2012].
- ⁴ *Disadvantaged Two Year Olds' Entitlement to Early Education: Options for Extended Eligibility* The Department for Education (2011)
- ⁵ *The Early Years: Foundations for life, health and learning*. An Independent Report on the Early Years Foundation Stage to Her Majesty's Government by Dame Clare Tickell. The Department for Education 2011 pg 8
- ⁶ *The Effective Provision of Pre-school Education (EPPE) Project: Findings from Pre-school to end of Key Stage 1* Sylva et al (2004)
- ⁷ *A guide to Social Return on Investment (2009)* (London: Cabinet Office) Nicholls et al The SROI Network.
- ⁸ SROI Supplementary Guidance on Materiality, March 2011 Version 4
- ⁹ Reviewed in The New Economics Foundation (NEF) 2010 report, Punishing Costs)
- ¹⁰ Audit Commission (2009) Tired of hanging around: Using sport and leisure activities to prevent anti-social behaviour by young people
- ¹¹ Median gross annual earnings for full-time employees, Annual Survey of Hours and Earnings - 2011 Provisional Results (SOC 2010)
- ¹² <http://www.cambridgeshirechildrenscentres.org.uk/>
- ¹³ <http://www.cambridgeshire.net/organisation/cambridge-womens-aid/49915.aspx> viewed on 23/11/12
- ¹⁴ <http://www.cambridgeshire.gov.uk/community/safercommunities/domestic/marac.htm>
- ¹⁵ <http://www.pinpoint-cambs.org.uk/information>
- ¹⁶ <http://www.cwrc.org.uk/index.php?page=59> viewed on 23/11/12