Sure Start Children’s Centres
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This report has been prepared under Section 6 of the National Audit Act 1983 for presentation to the House of Commons in accordance with Section 9 of the Act.

John Bourn
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Sure Start is the Government programme to help give the best start in life for every child by bringing together early education, childcare, health and family support. The needs of families, particularly disadvantaged families, do not arise in tidy packages that single services can easily provide for. International evidence shows that participating in a programme that combines these services improves the life chances of children, particularly if they are from deprived backgrounds.

The Government is delivering services through children’s centres, with 1,000 established by September 2006 and plans for 3,500 centres in total by 2010. Many of the benefits of children’s centres are long-term. Even so, the value of offering services for children through a team of people working well together is clear. Effective partnerships between social services, education and health professionals, voluntary and private providers, and people running children’s centres, are an essential feature of the programme.

The Department for Education and Skills itself directly funded Sure Start Local Programmes, mainly in disadvantaged areas, up to 31 March 2006. It also provided three years’ start-up funding for Neighbourhood Nurseries, and funding for Early Excellence Centres until March 2006. Many of the facilities created under all these initiatives have been developed into children’s centres. A small proportion of the first 800 centres were formerly nursery schools, health centres or have been created from scratch.

From 1 April 2006 local authorities have been funded for the whole children’s centre programme in their areas. The Department issues guidance to local authorities, for instance on the services provided, and holds them responsible for the achievement of the programme’s aims. Local authorities are responsible for managing the programme for their area and decide whether to do so directly or to contract out management to a private or voluntary provider. Local authorities decide where to locate centres, whether to build or acquire premises for them, and in most cases employ their staff. Centres deliver services to families and children. What they do depends partly on local need, but they are required to provide integrated early learning and childcare (in deprived areas); child and family health services; family support and outreach; support for childcare workers; help for children and parents with special needs; and links with Jobcentre Plus.

By April 2007, decisions on distributing the funds will be through local area agreements, which set out the priorities for an area agreed between central government, the local authority and other local partners. Where authorities already have such agreements, they can spend the money they receive on other children’s services, so the operation of the agreements raises important issues for parliamentary accountability of funds routed through local authorities. This report makes a number of recommendations for the children’s centre programme. Our recommendation relating to the Department’s monitoring of the programme (recommendation 6) has wider implications for all the streams of expenditure across Government that will be deployed through local area agreements.
SUMMARY

Sure Start Children’s Centres are multi-purpose centres bringing together childcare, early education, health, employment and support services for pre-school children and families (Figure 1 overleaf). The first 800 centres are located in the most deprived areas but the Government is committed to creating a children’s centre for every community – 3,500 by 2010. Between 2004 and 2008 the Department is planning to spend a total of £3.2 billion on children’s centres and Sure Start Local Programmes. Children’s centres also have income from various other sources including grants and fees for childcare charged to parents.

We undertook our examination at a time of transition and substantial change for local authorities and children’s centres. And many of the improvements they are seeking to make in children’s lives will show their main results only after a number of years. We therefore focused our examination on the capacity of the centres established by the time of our examination and the responsible local authorities to deliver value for money through sound financial management; reaching the most disadvantaged families; and monitoring their performance effectively. To do this we visited 30 children’s centres which had been set up by September 2005, collected financial and activity data about each children’s centre and interviewed staff in the 27 local authorities where they were located, and conducted focus groups with parents. In total we interviewed 191 centre and local authority managers and staff. Figure 2 on page 10 summarises their views on the benefits and challenges of children’s centres and their main concerns.
### Sure Start Children’s Centres – the facts at your fingertips

#### What are they?
- Multi-purpose centres that bring together childcare, early education, health, employment, and family support services.
- Designed for use by families, parents and carers of children under five.
- Centres’ set up varies: some are based in schools, at health centres, in colleges or are standalone buildings on their own sites.
- In September 2006 there were 1,000 centres, nearly all in deprived areas.
- The Government aims to provide one for every community – 3,500 centres by 2010.

#### How it delivers
Public, private and voluntary providers work together at a children’s centre. The services they provide range from centre to centre but often include:

| Integrated early education and childcare | Ante-natal and postnatal services |
| Baby weighing with health visitors | Speech and language development |
| Health checks | Training sessions |
| Links to Jobcentre Plus | Support networks for childminders |
| Crèches | Play sessions |
| | Baby massage |
| | Signposting to employment opportunities |
| | Support for children and parents with special needs |
| | Pre and post-natal classes |
| | Home visits to families |
| | Play sessions in community settings |
| | Mobile toy libraries |

#### Who provides the services?

**Public providers**
- Childcare
- Family support
- Social care
- Health services (pre-natal, post-natal, speech and language therapy)
- Employment and training support, Jobcentre Plus
- Adult education support
- Children’s information services
- Housing support services

**Voluntary and private providers**
- Childcare providers
- Centre management service providers
- Community outreach organisations
- Ethnic support groups and refugee organisations
- Business and regeneration support agencies
- Housing support services

**Average price per childcare place, per week:** £133
(Figure 11 on page 21)

**Other services or classes:** normally free, or with token charges

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The Department is spending £2.2 billion on revenue and over £1 billion on capital for children’s centres and Sure Start Local Programmes over the four years from 2004 to 2008.

In 2005-06, centres in our sample that were formerly Sure Start Local Programmes, some of which had been established for some years and offered a wide range of services, spent on average £580,000. Other centres, some of which were recently opened, had not built up the full range of services and used more services provided by partner organisations, spent on average £350,000.

Centres aim to help all children, and particularly disadvantaged children, improve their life chances, such as through better educational achievement and employment prospects, and living more healthily. They also aim to support families and help parents who are unemployed return to work.
Sure Start Children’s Centres – the facts at your fingertips continued

Where they came from

Up to March 2006 most children’s centres have been developed from facilities that were formed from earlier initiatives for young children.

- **Early Excellence Centres**
  - Started in 1997 to provide high quality integrated care, child and adult education and family support for families.

- **Sure Start Local Programmes**
  - Started in 1999 to provide integrated family support, health and early learning services in one place.

- **Neighbourhood Nurseries**
  - Started in 2001 to provide accessible and affordable day care in the poorest areas.

- At their highest point there were around 500 Sure Start Local Programmes, 100 Early Excellence Centres and 1,300 Neighbourhood Nurseries.

- In September 2006 there were 1,000 children’s centres comprising about 500 Sure Start Local Programmes, 430 previous Neighbourhood Nurseries and 70 previous Early Excellence Centres.

Source: National Audit Office, Department for Education and Skills and information collected from the Sure Start_On web-based system

Are centres meeting families’ needs?

- Local authorities are rapidly expanding the number of centres – from 350 in September 2005 to 1,000 by September 2006.

- Some of the centres we visited were still building up their services, and most were developing further the services that were already established. From our visits to 30 centres and focus groups with parents during January to May 2006:
  - Most families we spoke to who used children’s centres were happy with the quality of services. Centres were providing support such as a one-stop, accessible source of advice, and social networks that are not available through other services (Figure 2). Other than childcare, services are generally free.

- Centres were raising the quality of services and making them more relevant to the needs of lone parents, teenage parents and ethnic minorities in areas with large minority populations. But managers agreed they needed to do more to identify and provide outreach services to families with high levels of need in their area – only nine of the centres we visited were targeting them directly.

- Less progress was being made in improving services for fathers, parents of children with disabilities, and for ethnic minorities in areas with smaller minority populations.

- Families we spoke to lacked awareness of the full range of services available, and want more accessible, clearly signposted services. This extended to people using some services as well as to families not using the centres at all.

Are centres well managed?

- Based on our visits to 30 centres and interviews and data supplied by 27 local authorities:
  - Centre managers and staff considered that one of the main benefits of centres is working with other organisations to deliver the services needed by families (Figure 2). But the local authorities we examined had not all developed effective partnerships with health and employment services (18 of the centres we visited reported problems working with health services, and six with Jobcentre Plus). Part 3 of our report outlines how some centres have overcome these difficulties.

- Building willingness to cooperate among agencies and managing multi-agency centres are new skills; a quarter of centre managers considered they needed more training in leadership.

- Most children’s centres and local authorities were able to manage their finances for the current financial year. However, 4 out of 30 were forecasting a deficit.
Local authorities were concerned about their ability to manage the roll-out of more children’s centres and how they will manage a sustainable childcare market (Figure 2).

Reflecting the relatively recent establishment of children’s centres, we found that they and local authorities had as yet collected only limited data to assess cost-effectiveness. Comparing cost-effectiveness is not straightforward because centres’ expenditure varies widely owing to factors such as the numbers of families in their area, what services the centre funds (as opposed to funding by partners), and whether the centre was developed from a Sure Start Local Programme, which generally funded the most comprehensive activities. We could not identify a clear relationship between costs and the range or quantity of the services provided. Part 2 of this report identifies the average unit costs of providing core services using data collected as part of our local examination.

Is the programme well managed?

Local authorities’ new responsibilities for children’s centres began only in April 2006 and they present a major challenge, which will increase as the programme expands.

As local authorities plan and establish new centres in less disadvantaged areas where there are higher levels of existing provision, for example through private providers, they will need to undertake assessments of need in order to inform decisions on the most appropriate allocation of resources and services across their whole area. At the time of our local examination, centres and local authorities had largely focused on securing the core services required by the Department.

The Department has commissioned a comprehensive seven-year evaluation of Sure Start Local Programmes, which is continuing with the creation of children’s centres. By examining progress with children’s centres this report complements this evaluation.

For day-to-day monitoring at local level, we found centres and local authorities were uncertain about how they should measure their performance. Over half of local authorities we examined were not carrying out any active performance monitoring. The Department published a national performance management framework on 30 November 2006.

Value for money assessment

The impact of children’s centres on children’s development will not be measurable for some years. Good progress is nevertheless being made in creating centres that bring together services that families value, though much more needs to be done to reach and support the most excluded groups. The costs of centres, and of activities in centres, vary widely, and we cannot yet say whether they are using their funds cost-effectively. Centres will be better placed to deliver their objectives in a cost-effective manner if:

- centres and local authorities get better at understanding their costs and putting resources where they are most effective;
- centres make sure the most needy families access their services; and
- local authorities have effective partnerships with other agencies providing relevant services in their localities, especially health and employment services, and so avoid duplication by centres of existing provision.

Our conclusions and recommendations

For centres and local authorities

1  The most disadvantaged families and children have the greatest need for the integrated services provided by children’s centres. Most centres we visited recognised they needed to do more to identify families with the highest needs, make them aware of the services on offer and help them to access these services. Part 3 of our report gives examples of effective strategies to bring services to these families. For example, centres that are successful at reaching disadvantaged groups showed commitment from the centre manager and staff; used outreach and home visiting in co-operation with health and community groups to reach excluded families; and provided outreach services on the doorsteps of deprived communities.

2  Centres and local authorities need to establish the costs of centres’ various activities and how well they are being used, so that they can take informed decisions to move resources on the basis of priority and cost-effectiveness. We found that few centres or local authorities knew what centre activities cost or were allocating funds according to an assessment of need or demand for services. Part 2 of our report identifies unit costs for providing the main services. Local authorities may wish to use Figures 9 to 12 as indicative benchmarks when calculating funding for centres. If the average cost of delivering key services is significantly higher, local authorities should investigate why and assess whether the higher costs are justified.
Local authorities should help centres to provide services cost-efficiently, for example by sharing staff across centres such as centre managers or administrative support; developing agreements with partner organisations to work across centres; and sharing specialist expertise, such as working with teenage parents or employment support. Centres should avoid setting up new services where they can work efficiently and effectively with existing outreach and community organisations, and should consider existing private and voluntary providers for delivering childcare and other services.

3 Centre managers and staff are working in challenging ways that will often be new to their professional disciplines. Some centre managers and staff were cultivating the skills required to lead centres, manage finances cost-effectively, and deliver successful services and outreach to disadvantaged groups. A framework for training is in place through the National Professional Qualification in Integrated Centre Leadership. Centre managers should be supported to take up relevant training and develop networks to share knowledge with each other. And they should do the same to equip their staff for their new roles.

For local authorities and their partners

4 Having people from different organisations working together in an integrated way is an essential feature of children's centres, and it is also one of their greatest challenges. Children’s centres provide an opportunity for effective joint working for the benefit of families, but there is a risk of confusion and disenchantment with collaboration because in many centres the expectations and responsibilities of the various partners are unclear. Health services, employment advice and childcare provision, for example, all require improved partnership arrangements, which may need to involve more formal local agreements about the services to be delivered through children’s centres. Part 3 of our report gives examples of how some children's centres have formed effective partnerships.

5 Local authorities are accountable for the Department’s funds, though the way individual centres are managed and supervised reflects the different configurations they started from. Local practices are based on a variety of partnership boards, steering groups, governing bodies on the school model or boards of community organisations. The Department has issued a discussion paper on key issues relating to the governance and management of children’s centres for consultation with centres themselves, local authorities, schools and other key stakeholders. It intends to issue guidance early in 2007 on possible models of governance and management that children’s centres may adopt. Board members will need training to help understand their responsibilities better, so that they can provide local authorities with the support they require to assess local needs and priorities, monitor whether centres are meeting them, and challenge centres to raise standards and improve performance.

For the Department and local authorities

6 The Department needs information to provide assurance that the programme is delivering value for money for the funds expended. It published a performance management system in November 2006 for local authorities to use to monitor performance in children’s centres, but this needs to be supplemented by longitudinal data and local monitoring in order to identify what is working. Figure 20 on page 37 shows the range of indicators we consider is needed to give a full picture of performance. The importance of having such a framework to provide assurance at national level will increase as local authorities begin to use the funding flexibilities allowed through local area agreements.

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1 Governance is the system of control for overseeing the management of an organisation, setting goals, priorities and monitoring progress.

2 Local authorities are at different stages of their local area agreements (LAAs):
   - LAA pilots (21 authorities, 7 of which included Sure Start funding), which were selected in autumn 2004 and operated from April 2005;
   - second round LAAs (66 authorities, 26 of which included Sure Start funding), selected in June 2005 and operating from April 2006;
   - third round LAAs, developed from April 2006 and planned to operate from April 2007.
We consulted 134 centre staff, 30 centre managers and 27 local authorities on their top benefits, challenges and concerns.

### Benefits

#### Centre Staff
- **Partnership working:** working with other organisations to deliver services according to need.
- **Impact on children and families:** providing services that improve the lives of children and their parents.
- **Making services more accessible/user friendly:** easier access to all services, one-stop-shop provision that is more user-friendly.
- **Job satisfaction/professional development:** staff can see the contribution they make and have progressed in their profession during their time at the centre.
- **Teamwork:** working with other professionals to deliver services.

#### Centre Managers
- **Partnership working:** working with other organisations and agencies to deliver services according to the needs of the community and learning from them.
- **Impact on children and families:** providing services that improve the lives of children and their parents.
- **Being part of the community:** working closely with families and integrating into the community.
- **Working in new and creative ways:** having the ability to be creative and innovative in methods of working.
- **Continuity of service:** having all services in one place means that continuity exists for individuals and services become more accessible.

### Challenges

#### Centre Staff
- **Reaching individuals:** targeting individuals and encouraging them to use services.
- **Multi-agency/multi-disciplinary working:** working with different organisations and different professionals to deliver a seamless service.
- **Funding:** not enough money to provide all the services needed.
- **Workload:** managing workload given time constraints of the job.
- **Communication:** with all the people involved in children’s centres including staff from different organisations and parents who may or may not be using the centre.

#### Centre Managers
- **Sustainability and funding:** difficult to cover costs and maintain quality provision if take up not high, given limited funds available to the centre.
- **Multi-agency/multi-disciplinary working:** working with different organisations and different professionals to deliver a seamless service.
- **Evaluation/monitoring:** difficulties in evaluating impact/quality of service and monitoring centre performance.
- **Recruiting and retaining staff:** recruiting skilled staff with the right experience. Retaining staff given uncertainty.
- **Coping with change:** dealing with pace of change in the transition to children’s centres. Managing staff during the transition.

### Concerns

#### Centre Staff
- **Sustainability and funding:** of children’s centre services as provision not affordable and centres may not receive sufficient funds, which will affect quality of services and lead to loss of skilled staff due to uncertainty.
- **Risk of change in agenda:** replacement by new initiative/early closure of children’s centres.
- **Recruiting staff:** difficulty in recruiting staff with the necessary skills and qualifications and then retaining them.
- **Centre too small:** not enough facilities to provide the services needed by the community.
- **Outreach:** getting to hard to reach individuals. Loss of outreach services.

#### Centre Managers
- **Sustainability and funding:** of non-core services. Insufficient funding to maintain quality of service currently offered, leading to resources spread too thinly over large number of services.
- **Risk of change in agenda:** policy changes away from children’s centre provision, as not given time to show impact.
- **Recruiting staff:** difficulty in recruiting staff with the necessary skills and qualifications and then retaining them.
- **Centre too small:** not enough facilities to provide the services needed by the community.
- **Data sharing:** with partner organisations and agencies, not easy or straightforward.

Source: National Audit Office interviews with children’s centre staff, centre managers and local authorities

**NOTE**

Colours have been used for each benefit/challenge/concern to denote the strength of opinion among the various groups interviewed. A darker shade signifies a benefit/challenge/concern that was raised more often, while a lighter shade relates to those that were less important to interviewees. This feedback reflects the views of the participants during interviews on the day.
Local authority development officers

**Timescale:** for delivery of targets and centres.

**Bringing everyone on board:** to deliver centre services given different cultures within the many organisations.

**Insufficient funding:** not enough money to deliver targets/make childcare provision affordable to all.

**Understanding of children’s centres:** providers not always clear on scope/responsibilities of centres and have different expectations.

**Completing children’s centre buildings:** managing building work and completing within budgets.

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Local authority development officers

**Sustainability and revenue funding:** of childcare provision and children’s centres, given the uncertainty of revenue funding in the future.

**Timescale:** timetable given in which to build centres and deliver services will be difficult to achieve.

**Capital funding:** not enough capital funding for number of new centres required or to refurbish buildings to meet community expectations.

**Recruiting staff:** problems recruiting skilled, high quality staff due to budgetary constraints.

**Requirement to spend capital funding:** capital funds must be spent within a given timescale which may not be feasible given delays to building work.
PART ONE

From Sure Start to children’s centres: history and policy background

1.1 Based on evidence that early childhood experiences influence the future life chances, such as educational achievement, health and employment prospects, for children from disadvantaged backgrounds, the Government launched the Sure Start programme in 1998. Its aim was to improve the health and well-being of children before and after birth, to help their development by the time they went to school and to support parents in their parenting and in their aspirations to work. Over 500 Sure Start Local Programmes were established in deprived areas across England, providing services tailored to the specific needs of the local community.

1.2 In 2003, as part of the Every Child Matters Green Paper, which proposed bringing services together to help prevent children at risk of harm or neglect from slipping through the system, the Government announced plans to create a Sure Start Children’s Centre in the 20 per cent most deprived wards in England. The centres combine early education and childcare, family support, employment advice, and health services. In December 2004, the ten-year strategy for childcare went further, setting a target for a children’s centre for every community (3,500 centres in total) by 2010. Most of the first children’s centres have been developed from facilities that were formed from earlier initiatives for improving services for young children (Figure 1).

1.3 Sure Start Local Programmes received funds directly from the Department for Education and Skills. From 1 April 2006, the Department has provided funds to local authorities for children’s centres. It sets requirements for the minimum services to be provided, but local authorities are responsible for achievement of the programme’s aims. Because the centres combine services delivered by different providers, local authorities need to work with a range of other organisations.

1.4 By the end of March 2006 there were around 800 children’s centres in England, providing services to around 650,000 children. Figure 3 shows the planned roll-out across the country, which is in three phases. The first phase (to March 2006) focused on establishing centres in the 30 per cent most disadvantaged areas in the country. For phase 2 (2006-08), there is a target of establishing a minimum of 2,500 centres by March 2008, including sufficient centres to cover the remaining disadvantaged areas, as a step towards universal coverage through 3,500 centres by 2010. Local authorities are planning to establish many Phase 2 centres on school sites. The nature of centres for Phase 3 has not yet been decided, but those established in more affluent areas may be limited to providing advice and information, for example in an existing childcare facility, to provide details of services provided elsewhere.

Substantial expenditure has been committed and planned

1.5 In 2004-05 and 2005-06, the Department for Education and Skills spent some £850 million (revenue) on children’s centres and Sure Start Local Programmes (Figure 4 on page 14). A further sum of over £1.3 billion has been allocated for revenue expenditure for 2006-07 and 2007-08. By March 2008 the Government will have invested over £1.2 billion in capital to deliver 2,500 children’s centres.  

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4 Subsequently redefined as the 30 per cent most disadvantaged Super Output Areas, which cover similar levels of deprivation.
5 The Department provides capital funding to local authorities, which enter into building contracts under their own procurement rules. Each project is required to be approved by the Department, with assistance from professional advisers for projects over £150,000. The £1.2 billion capital includes capital for Sure Start Local Programmes and children’s centres.
### Planned roll-out of children’s centres

The map below shows the location of children’s centres in Phase 1. The table shows the number of centres planned to be built in each region over Phase 1 and 2 and the amount of revenue allocated to each region.

![Map of children's centres](image)

<table>
<thead>
<tr>
<th>Government office region</th>
<th>Phase 1 (2004-06)</th>
<th>Phase 2 (2006-08)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of centres</td>
<td>Revenue allocated</td>
</tr>
<tr>
<td></td>
<td>(%)</td>
<td>£m (%)</td>
</tr>
<tr>
<td>East of England</td>
<td>76 (7)</td>
<td>38 (5)</td>
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<td>East Midlands</td>
<td>83 (8)</td>
<td>68 (8)</td>
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<td>London</td>
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<td>South East</td>
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<td>West Midlands</td>
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<td>100 (12)</td>
</tr>
<tr>
<td>Yorkshire &amp; Humber</td>
<td>81 (7)</td>
<td>110 (13)</td>
</tr>
</tbody>
</table>

Source: Departmental figures and information collected from SureStart_On web-based system and was correct as at 10 August 2006. The number of children centres refers to main centres.

**NOTE**

Figures are estimated actual expenditure for local authorities for 2004-05 and 2005-06 and allocations for 2006-07 and 2007-08. The revenue allocations for 2006-07 and 2007-08 are net of additional amounts subsequently allocated for centres in London and rural communities.
Children’s centres aim to join up services to improve the life chances of young children

1.6 Children’s centres seek to bring together a range of services in locations that are within easy reach of local communities. Services may be provided under one roof, together with access to specialists such as child psychologists and speech and language therapists. Figure 5 sets out the core services that all currently designated children’s centres must provide (the “core offer”). Centres in the most disadvantaged areas have more mandatory services than will be required of centres in less disadvantaged areas where there are higher levels of existing provision (for example through private providers). Although most centres have developed from earlier initiatives, the number has increased rapidly from around 350 in September 2005 to over 1,000 in September 2006.

1.7 Children’s centres aim to provide the support that parents need to focus on parenting children positively. Parents of children under five experience a wide range of challenges, concerns and questions, and the parents who participated in our focus groups expressed similar concerns across all locations and types of parent consulted (Figure 6), including need for childcare, advice and information and emotional support through social networks.
There are many different types of children’s centre. Sure Start Local Programmes were particularly diverse as they were developed to meet specific needs of local communities. Some children’s centres are attached to schools or health centres, while others were purpose-built in convenient locations. Centres do not always consist of a single building or location. They may operate out of several, and in some cases partner organisations provide a service from their own separate facilities under the supervision of a central management office. However, the Department expects all children’s centres to be guided by the seven Sure Start principles which were set out for the original local programmes (Box 1).

The degree of joint working required to provide a truly integrated service for children and families presents a substantial challenge for all the public, voluntary and private sector bodies who are involved in delivering children’s centres. Organisations that have previously operated independently must now share information and resources, and coordinate their activities. Figure 1 on page 6 shows the range of different organisations that may be involved.

### BOX 1

**The seven Sure Start principles**

*Services for everyone.* But not the same service for everyone.

*Flexible at point of delivery.* All services should be designed to encourage access.

*Respectful and transparent.* Services should be customer driven, whether or not the service is free.

*Outcome driven.* All services for children and parents need to have improving children’s life chances, such as educational achievement, health and employment, as their core purpose

*Working with parents and children.* Every family should get access to a range of services that will deliver better life chances for both children and parents.

*Starting very early.* Services for young children and parents should start at the first ante-natal visit.

*Community driven and professionally coordinated.* All professionals with an interest in children and families should be sharing expertise and listening to local people on service priorities.

### Challenges and concerns in the early years of parenting

- “He seems to be ill – what’s wrong with him?”
- “I need more sleep”
- “How do I handle difficult changes? I know it’s time to stop her using a dummy/start potty training?”
- “What could go wrong during giving birth?”
- “I need time off ... I can’t have a sick day or ‘me’ time”
- “Should I breastfeed?”
- “How and when should I wean my baby?”
- “Am I too young? I feel like I’m not a good parent”
- “Why won’t he sleep through the night?”
- “How do I play with my child?”
- “How should I deal with tantrums?”
- “Is my baby normal?”
- “Will I have enough money while I’m not working?”
- “I never see my friends”
- “Should she be talking yet?”
- “Does he have colic?”
- “Should I be talking yet?”
- “How can I bond with my baby – will she like me?”

**Source:** National Audit Office focus groups of users and non-users of children’s centres
Local authorities have a lead role in delivering children’s centres

1.10 Until the introduction of children’s centres, local authorities’ early years responsibilities involved providing nursery education, distributing Government funding to childcare providers, and monitoring and supporting early years and childcare provision in their local areas. The Department paid a grant directly to Sure Start Local Programmes, and regional teams attached to the Department monitored how these funds were spent. The Department also made specific grants to local authorities to fund Neighbourhood Nurseries and some other early years expenditure.

1.11 In 2003, the Department gave local authorities a wider, executive role in planning and implementing children’s centres, and a target to set up sufficient centres to reach 650,000 children (350,000 through Sure Start Local Programmes and 300,000 elsewhere by March 2006). Guidance at this time also outlined the core offer (Figure 5 on page 14). In 2005 the Department issued new guidance about phase 2 of the children’s centres programme (paragraph 1.4), setting targets for 2008 and 2010, and more details of what centres were to offer in disadvantaged and other areas.

1.12 These new responsibilities present a substantial challenge. For children’s centres, local authorities require the capacity and expertise to assess local needs across a range of services, some delivered by organisations they have little experience of working with. They need to negotiate integrated services, ensure that local partnerships are working smoothly, and establish effective performance monitoring and evaluation. For brand new children’s centres, local authorities need to provide practical assistance on the design and building of the centre and the recruitment and training of children’s centre staff. The Childcare Act 2006 will consolidate local authorities’ responsibilities for early years and childcare through three duties: to reduce inequality between young children while improving all young children’s life chances; to facilitate the childcare market to ensure it meets the needs of working parents; and a revised duty to provide information to parents and prospective parents about services for children, and in particular to give advice and help with finding childcare.

1.13 Local authorities allocate funding from the Department’s Sure Start grant to centres. They have flexibility to allocate funds between children’s centres and certain other early years expenditure, mainly to support sustainable childcare provision. Revenue funding for Sure Start Local Programmes is currently ring-fenced at local authority level, so this funding can only be used for Sure Start Local Programmes or centres that are based on them. However, if the authority has a Local Area Agreement which includes Sure Start funding, it has more flexibility in allocating funds.

1.14 Children’s centres are governed in a variety of ways, usually reflecting the history of the centre, and these arrangements are changing as local authorities assume wider responsibilities. For example, centres developed from Sure Start Local Programmes are often governed by a partnership board that includes all the agencies that provide services through the centre. However, Sure Start Local Programmes were not legal entities and one of the organisations in the partnership was responsible for managing the programme’s grant. Two-thirds were local authorities and the remainder were other organisations such as Primary Care Trusts and voluntary bodies. In all cases, the local authority was a key member of the partnership board. Since April 2006, the Department has paid a grant to local authorities to fund all children’s centres, including all the former Sure Start Local Programmes. Most importantly, the local authority is now the body accountable via the Department’s grant for delivering children’s centres. The Department is currently consulting on guidance that deals with questions of governance, leadership, accountability and liability for centres.

1.15 The Department has appointed a consortium, Together for Children, to support local authorities with the delivery of children’s centres. It will help build local authority capacity to plan, commission and project manage the roll-out of children’s centres, identify and promote good practice, support the development of multi-agency working, and report to the Department on delivery progress.

6 The consortium is led by Serco and includes CareandHealth, ContinYou, 4Children and PA Consulting. It will work closely with relevant partners including Government Offices, the Training and Development Agency, the Department’s architectural consultants and Ofsted.
The impact of children’s centres can only be measured over the long term.

1.16 It is difficult to measure the impact of children’s centres in the short term. Improvements in the life chances of young children may take several years or longer to emerge. For example, the longer term benefits should be reflected in measures such as academic performance, health and lifetime earnings. In the short term, performance of children’s centres can be measured against more limited objectives and Public Service Agreement targets. Figure 7 outlines the range of targets to which children’s centres contribute, which include increasing take-up of childcare, improving children’s speech, language, social and emotional development, and reducing the number of children in workless households. Some of these targets are held jointly with other departments, such as the Department of Health and the Department for Work and Pensions. Figure 7 shows that performance against Public Service Agreement targets has been mixed.

### Performance against Sure Start Public Service Agreement targets

#### 2001-04 targets

<table>
<thead>
<tr>
<th>Target</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce the proportion of children aged zero to three in Sure Start areas who are re-registered within the space of twelve months on the child protection register by 20 per cent by 2004.</td>
<td>Met – reduction of 27%</td>
</tr>
<tr>
<td>Achieve by 2004 in Sure Start areas a 10 per cent reduction in mothers who smoke in pregnancy.</td>
<td>Met (10.1%)</td>
</tr>
<tr>
<td>Achieve by 2004 for children aged zero to three in Sure Start areas a reduction of 5 percentage points in the number of children with speech and language problems requiring specialist intervention by the age of four.</td>
<td>Cannot be assessed</td>
</tr>
<tr>
<td>Reduce the number of zero to three-year-old children in Sure Start areas living in households where no one is working by 12 per cent by 2004.</td>
<td>Not met (4.6 % point reduction achieved)</td>
</tr>
</tbody>
</table>

#### 2003-06 targets

<table>
<thead>
<tr>
<th>Target</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>A 6 percentage point reduction in the proportion of mothers who smoke during pregnancy.</td>
<td>Not met (5% point reduction achieved)</td>
</tr>
<tr>
<td>An increase in the proportion of young children aged five with normal levels of communication, language and literacy for their age (now being measured through the 2005-08 PSA target below) and an increase in the proportion of young children with satisfactory speech and language development at 2 years.</td>
<td>First part of the target cannot be assessed – will be assessed by 2005-08 PSA Target 1 Second part met – 2.6% point increase</td>
</tr>
<tr>
<td>A 12% reduction in the proportion of young children living in households where no-one is working.</td>
<td>Not met (9.6% point reduction achieved)</td>
</tr>
</tbody>
</table>

#### 2005-08 targets

<table>
<thead>
<tr>
<th>Target</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve children’s communication, social and emotional development so that by 2008 50% of children reach a good level of development at the end of the Foundation Stage and reduce inequalities between the levels of development achieved by children in the 20% most disadvantaged areas and the rest of England.</td>
<td>Not yet assessed</td>
</tr>
<tr>
<td>The provisional target has now been reviewed and increased from 50% to 53% by 2008. The target for reducing the inequality gap has been set at four percentage points – from 16% to 12%.</td>
<td></td>
</tr>
<tr>
<td>As a contribution to reducing the proportion of children living in households where no one is working, by 2008:</td>
<td>Met – latest figures represent an increase of over 16%, or 179,000 places, since March 2004</td>
</tr>
<tr>
<td>i) increase the stock of Ofsted-registered childcare by 10 per cent. In September 2005 the target was exceeded when the total stock of childcare places numbered 1,221,000. Has since risen further to 1,280,000 at the end of September 2006 – an increase of over 16 per cent from March 2004 baseline.</td>
<td></td>
</tr>
<tr>
<td>ii) Increase the number of children in lower income working families using formal childcare by 120,000.</td>
<td>Too early to make an assessment.</td>
</tr>
</tbody>
</table>

Source: Department for Education and Skills
PART TWO

Are children’s centres’ resources used effectively?

2.1 The Department spent about £480 million on the running costs of children’s centres and Sure Start Local Programmes in 2005-06. For 2006-07 it has allocated revenue of around £700 million to local authorities for children’s centres and Sure Start Local Programmes. This part examines how this money is spent at centre level and how centres and local authorities are managing their resources.

Children’s centres’ budgets vary widely

2.2 The Department’s Sure Start grant is the main source of income for children’s centres, accounting for around 80 per cent of our sample of centres’ income. The remaining 20 per cent is from various sources, for example grants for other initiatives, additional funding allocated by the local authorities and fees charged to parents for childcare. Local authorities also provide additional resources to most centres (90 per cent of those we visited) in the form of benefits in kind, including payroll support and free use of buildings, but centres were unable to estimate the financial value of these benefits.

2.3 The Department allocates children’s centre funding to local authorities using a formula. For Phase 1 this took into account the number of children aged 0-5 living in disadvantaged areas, the number of new childcare places planned for an area (this is not a factor in Phase 2), and whether the centres are located in London or in a rural area (Appendix 2). The allocation is not expected to fund all the services listed in Figure 5: some of these will be existing mainstream provision. Most local authorities have not yet developed a firm basis for allocating funds to centres. Just over half that we interviewed (14 out of 27) had not identified the cost of core centre services, but relied on cost information from existing service providers. Only five had done some detailed work to identify costs. Appendix 2 gives an example of how one local authority allocates funds.

2.4 Most centres recorded income and expenditure, staff and non-staff costs of different services, but did not record the costs of activities in sufficient detail to determine whether the services provided are cost-effective. We therefore collected data from 69 centres on their costs and key activities. Figures 9 to 12 summarise our analysis of these costs, and provide a basis for centres and local authorities to allocate resources in future. We examined the variation in expenditure and what was spent on core services. We used multiple linear regression to assess how much of the variation in expenditure can be explained by the levels of core services which centres provide and how much by other factors. Appendix 3 provides further details of the methodology and the results of the regression analysis.

The relationship between centres’ expenditure and the number of children and families they reach is unclear

2.5 We found that centres’ expenditure varied widely around an average of some £580,000 for former Sure Start Local Programmes and £350,000 for other centres (Figure 9 on page 20). The bulk of centres’ expenditure is on delivering the core services, but there are wide ranges in the numbers of families and children receiving services, and in their unit costs, reflecting differences in staff time and costs, and uptake of services (Figures 10 and 11 on pages 20 and 21). Former Sure Start Local Programmes had higher expenditure generally than centres that developed from other initiatives, but typically paid for more services directly. Some other centres received many services in kind, for instance where a partner provided some of their staff’s time. Local programmes also received higher funding than other centres (Figure 9), although this is to be adjusted over time.

7 Fee policies are determined locally but the Department’s grant for centres in Phase 1 includes start-up funding for new childcare places.
8 69 centres in our sample of local authorities were able to provide data for our analysis on their costs and the number of parents and children using key services.
2.6 Centres reaching higher numbers of children and families might be expected to have higher levels of expenditure, but these two factors alone only explained around 14 per cent of the centres’ total expenditure (Figure 12 on page 21 and Appendix 3). Our results agree with early findings from the National Evaluation of Sure Start (Box 19 on page 38), which found limited evidence that Sure Start Local Programmes with higher levels of expenditure were reaching more children than those with lower levels of expenditure. This effect was partly explained by the fact that centres have only been designated for a short time, and are spending what funds they have on building up new services such as outreach, health and childcare. Centres spend the budgets they are given, in some cases using the funds to provide a wider variety of services rather than increasing the number of families accessing key services.

The financial capability of centres to manage their resources needs to improve

2.7 Children’s centre managers and their support staff have varying levels of financial expertise. Where they developed from Sure Start Local Programmes, centres generally have a qualified finance officer to help run the budget and most of those centres were confident that they could manage the finances of the centre. However, a quarter of those we visited stated they needed more financial training. For the other centres we visited, where the budget was often managed by the centre manager with help from administrative staff, half wanted more training. Local authorities have a role to play in strengthening financial management of centres as the programme expands.

2.8 Our visits to children’s centres took place in the fourth quarter of the 2005-06 financial year. Even so, one third of the centres had not agreed their 2006-07 budget, or been allocated their budget by the local authority, and could not provide a forecast for the financial year 2006-07. Where forecasts were available, they were usually at high level, without any detailed breakdown of expenditure on different services. Sixty per cent of the centres were projecting coming in at or under their budget in 2005-06, through one quarter could not provide a year-end projection (Figure 8). The remaining centres we visited were projecting overspends, which averaged seven per cent of their budget, deficits which local authorities will need to cover. Where centres projected an underspend, it averaged 10 per cent of the relevant centres’ budgets.

2.9 Our discussions with staff across the sector showed there was widespread concern about a range of financial and management challenges they considered centres will face in future. The concerns went beyond financial management capability and related mainly to viability of childcare provision, availability of trained staff to deliver the programme, future resourcing of centres through local authorities, and plans to bring all centres onto a more even spending basis (Appendix 2). These issues are considered in the following sections.

Financial viability of some childcare provision is uncertain

2.10 The Department expects most services to be supported by its grant to the local authority, and through reshaping mainstream services, but centres are expected to charge fees for childcare, supplemented initially by specific start-up funding. Childcare provision in over 40 per cent of the 30 centres we visited was supported by start-up grants that were about to end. To compensate, centre managers we interviewed cited a range of sources including local authorities (27 per cent), increased nursery fees (13 per cent) and diverting resources from other centre activities towards childcare (17 per cent). Though most centre managers were developing business plans for childcare, many were uncertain whether they could generate sufficient new income and savings to break even. Box 2 on page 23 provides an example of a children’s centre that is developing local partnerships to maximise its capacity to provide a full range of childcare and other services.

PART TWO

Analyses of:

- children’s centres’ total expenditure (based on data from 26 centres)
- division of expenditure across different services (based on data from 26 centres)
- unit costs of activities (based on data from 69 centres)
- explanation of cost variations (based on data from 69 centres)

9 Expenditure managed by children’s centres, 2005-06

The expenditure directly managed by the centres we visited varied widely. This partly reflects their history and the number of families in their catchment areas. The centres included:

- centres arising from a range of previous initiatives, providing different services with different levels of funding
- former Sure Start Local Programmes (SSLP), some of which had been established for some years, and provided a wide range of services beyond children’s centre core services
- some covering areas with small numbers of children, such as a rural mini-Sure Start covering 150 children of 0-5 years
- some centres with low expenditure where most services were provided by partner organisations, and
- centres funded to cater for a range of catchment areas.

![Graph showing expenditure managed by children’s centres, 2005-06](image)

Source: National Audit Office visits to 26 children’s centres. Based on 2005-06 financial data, in some cases using costs in the third quarter to estimate the cost for the full year. For four of the 30 centres visited, information on expenditure was incomplete or missing and is not shown above.

NOTE

‘Other’ children’s centres incorporate centres that have developed from Early Excellence Centres, Neighbourhood Nursery Initiatives and Maintained Nursery schools.

10 Division of expenditure across different children’s centre services

We analysed expenditure on the core services centres are required to provide. Play, learning and childcare is on average the most heavily resourced service.

![Graph showing division of expenditure across different children’s centre services](image)

Source: National Audit Office visits to 26 children’s centres. Based on 2005-06 financial data, in some cases using costs in the third quarter to estimate the cost for the full year. For four of the 30 centres visited, information on expenditure was incomplete or missing and is not shown above. Expenditure on management staff and building maintenance is included in total expenditure but not in the core service expenditure figures.
Unit costs of different children’s centre activities

Using data collected from centres on the number of people using services, we calculated unit costs for key activities. We found they vary widely, reflecting differences in income, staff time and cost, the length of time centres had been in operation and the uptake of services.

<table>
<thead>
<tr>
<th></th>
<th>Price of full time childcare place, per week</th>
<th>Number of children attending full childcare, per week</th>
<th>Health cost per family seen</th>
<th>Number of families seen by the health official monthly</th>
<th>Outreach cost per family seen</th>
<th>Number of families seen by outreach monthly</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean value</td>
<td>£133</td>
<td>28</td>
<td>£11</td>
<td>310</td>
<td>£72</td>
<td>106</td>
</tr>
<tr>
<td>Example 1 (London-based former nursery school)</td>
<td>£137</td>
<td>50</td>
<td>£15</td>
<td>96</td>
<td>£176</td>
<td>85</td>
</tr>
<tr>
<td>Example 2 (East England small town former Early Excellence Centre)</td>
<td>£208</td>
<td>8</td>
<td>£20</td>
<td>540</td>
<td>£138</td>
<td>26</td>
</tr>
<tr>
<td>Example 3 (Urban former Sure Start Local Programme, NW England)</td>
<td>£116</td>
<td>24</td>
<td>£7</td>
<td>348</td>
<td>£19</td>
<td>194</td>
</tr>
</tbody>
</table>

Source: Data collected from 69 children’s centres

NOTES
1. The figures calculated above refer to monthly information provided over the period of April–June.
2. Childcare figures on a weekly basis. Figures based on 50 hours a week, for over 2 year olds. Parents are entitled to 12.5 hours a week of free early education for 3 and 4 year olds. All other figures are on a monthly basis.
3. The number of families seen by the health official includes those visiting clinics at centres and those receiving home visits.
4. Health provision may be funded directly by the centre itself or by the Primary Care Trust. Health cost data has been calculated on the assumption that an average health visitor earns £14.48 per hour.
5. The number of families seen by outreach services covers: introductory outreach visits to inform parents of the services available at the children’s centre, and targeted outreach visits to families to provide social and educational services.

Explanation of cost variations

Another way of examining costs is to look at how centre expenditure varies in relation to factors that might affect it, for instance, the number of children receiving services. We constructed a statistical model of centre expenditure to assess which factors were significant. The best fitting model, which predicted 47 per cent of the variation in total centre expenditure, included the factors below, which were significant predictors of centre expenditure. In allocating funds to centres, local authorities may wish to take into account that these factors are likely to influence centre costs.

<table>
<thead>
<tr>
<th>Factors affecting expenditure</th>
<th>Average effect on total expenditure</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of children under 5 in centre catchment area</td>
<td>£407 per child</td>
<td>All else being equal, centres with larger catchment areas spent £407 extra per child. This is a factor in the formula used to fund centres (Appendix 2).</td>
</tr>
<tr>
<td>Number of children attending childcare</td>
<td>£1,607 per child attending</td>
<td>This is the average additional annual expenditure of centres for each child attending part-time or full-time childcare in the average week.</td>
</tr>
<tr>
<td>Number of families using other centre services</td>
<td>£202 per child/family seen</td>
<td>This is the average additional annual expenditure for each family visiting the centre or using health services at the centre, parenting classes, or speech and language therapy, each month.</td>
</tr>
<tr>
<td>Whether former Sure Start Local Programme</td>
<td>£158,000 per centre</td>
<td>See Figure 9. These often provided a wide range of services beyond the children’s centre core offer.</td>
</tr>
<tr>
<td>Location</td>
<td>The centres in the most urban areas have higher expenditure</td>
<td>All else being equal, centres in urban areas spend more. The formula used to fund centres (Appendix 2) takes into account rurality and provides additional funds for centres in London.</td>
</tr>
</tbody>
</table>

Source: Data collected from 69 children’s centres. Data for three centres was incomplete and was excluded from the analysis. Appendix 3 provides further details.
2.11 Though nine of the centres we visited had waiting lists for childcare, eleven had empty places, indicating mismatches between supply and demand. Centres that cannot fill places rely on childcare grants to keep them open. Staff in centres with empty places suggested that parents who needed childcare were using existing private sector provision in the area. Local authorities should be able to improve the assessment of need for childcare provision as they assume responsibility under the Childcare Act 2006 for assessing the supply and demand for childcare in order to secure sufficient childcare places in their area from 2008. The Act states that the local authority may generally only provide childcare itself if no other provider is willing to do so or if, in all the circumstances, it is appropriate for them to do so. This measure is intended to prevent a local authority setting up childcare in competition with existing good quality private, voluntary or independent sector providers.

2.12 On average, centres are charging broadly market rates for childcare. Some centres we visited with empty places suggested that the care was too expensive for disadvantaged families. Some were seeking to subsidise care for children from lower income families, but said they could only afford to provide subsidised places in exceptional cases. Some centres have ‘fair pricing’ schemes that charge less for people on lower incomes.

2.13 Some parents in our focus groups considered the childcare to be good quality and reasonably priced. However, some parents on low incomes felt unable to afford more childcare and worried that returning to work would not increase their overall income once childcare costs were taken into account. Parents said they would like help to calculate whether they would be better off in work, and one of the centres we visited provides this help (Box 3).

Staff need training so that they can embrace new ways of working

2.14 Our report on Early years identified a risk that the number of skilled and qualified early years staff would not grow fast enough for the planned expansion of the sector. The risk is highly relevant to children’s centres given the large planned expansion to 3,500 by 2010. Staff recruitment and retention issues at the 30 centres we visited were localised or specific. One quarter of centres reported little or no problem with recruitment and retention. Eleven per cent reported localised recruitment problems; some reported problems recruiting particular professions, such as suitably qualified childcare staff (21 per cent of centres) and health visitors (14 per cent).

2.15 Only a third of 134 centre staff felt well qualified to perform their roles. This low result may reflect the fact that many staff work in situations for which their specific profession may not traditionally provide training. Centre managers need to take a wide view of training needs. For example, family support workers referred to the need for counselling training, health visitors stressed the need for training in handling domestic violence, and both reported a need for continuing and diverse professional development. One fifth of the staff we spoke to considered they could benefit from more training in management skills, counselling and ICT. Around a quarter of centre managers also wanted more training in leadership. Some of these skills are covered in the National Professional Qualification for Integrated Centre Leadership, which the Department expects centre managers to obtain. Centre managers would also benefit from sharing knowledge and expertise with each other through manager networks or forums.

2.16 The Children’s Workforce Development Council aims to create new training opportunities, career development and flexible career pathways for people working with children. The Council is developing an Early Years Professional status set at graduate level for professionals who can meet prescribed standards. The Department plans that graduate Early Years Professionals will be based in all children’s centres that offer childcare by 2010, and in every other setting that offers full day care by 2015.

2.17 As a relatively new and developing form of provision, career paths within children’s centres are not obvious and managers need to take an interest in their staff’s development so that they are trained for their new roles using the framework the Department has developed for the early years sector as a whole. Most managers in the centres we visited took a personal interest in staff development or used an appraisal system to help identify training needs. A majority (54 per cent) of 134 staff were positive about the employment and future career prospects, though some raised concerns about the short-term nature of budgets and the implications for continuity of posts.

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10 First column of our Figure 11; market averages by region are provided at: http://www.daycaretrust.org.uk/mod/fileman/files/Childcare_Costs_Survey_2006.pdf.
11 National Audit Office Report Early Years – progress in developing high quality childcare and early education accessible to all (HC 268, 2003-04).
Local authorities have met the national target for Phase 1 but there have been delays in planning and building new centres

2.18 The programme exceeded the national target to reach 650,000 children in Phase 1, which was achieved by 31 March 2006. In Phase 1, the Department set local authorities individual targets for the number of children to reach through children’s centres. They were also expected to deliver 43,000 childcare places through children’s centres as part of their overall childcare place targets. Local authorities decided how many children’s centres would be needed and where. Figure 13 shows the sums of the local targets and achievements.

2.19 In Phase 2 local authorities were given targets for the number of centres to create and the number of children to reach. As a guideline the Department suggested one centre per 800 children. Over-provision by local authorities collectively in Phase 1 means that nationally more than 2,500 centres are on track to be delivered by the end of Phase 2.

2.20 Most individual local authorities we consulted were on track to meet their Phase 1 targets for building children’s centres. By March 2006, 76 per cent of the centres had been built or refurbished (Figure 14 overleaf). In the 22 per cent of local authorities where there had been slippage, the most commonly cited reason (59 per cent) was delay in building work due to a number of factors, including ambitious timescales for building new centres, lack of expertise and difficulties finding suitable sites. Therefore, although local authorities had collectively met the Department’s target for the number of children reached, some had not delivered the number of new and refurbished buildings agreed locally by March 2006. The planned centres were all delivered by September 2006.
2.21 Although the number of childcare places opened in children's centres by March 2006 was lower than expected, the national target has been met and we estimate that children's centres contributed some 20 per cent of the increase to meet the national target.

2.22 When we interviewed local authorities we found their energies had been focused on establishing new centres. They had given relatively little attention to performance and financial monitoring, and governance; 56 per cent of the local authorities we consulted were not monitoring the performance of centres; 52 per cent were doing no work to identify the cost of services; and 33 per cent had not yet allocated funds to children's centres for 2006-07. This picture mirrors the similarly limited financial analysis currently being undertaken in most children's centres (paragraph 2.4).

2.23 To help plan the centres, most of the local authorities we consulted (52 per cent) had established a steering group comprising key stakeholders such as health professionals, local authority officials, existing service providers and centre managers. Under the children's trust arrangements arising from the Children's Act 2004, the Department expects local authorities to work with these partners to develop arrangements for children's centres. We found that local authorities had invested considerable effort in setting centres up and delivering core services in time to meet their targets. However, they have given less attention to identifying local priorities, or consultation on the location of centres and the services they should offer. Local authorities need to develop their capacity for identifying local priorities as the programme expands.

2.24 Local authorities’ Phase 2 targets are ambitious, and most will need to find innovative ways to fund new centres. For example, 56 per cent of local authorities we spoke to were planning to amalgamate children's centres with Extended School initiatives, which is an approach the Department expects local authorities to consider. Some local authorities had started to plan in other ways for the expansion of children's centres; for example, 37 per cent of those we consulted planned to make one manager responsible for several small centres. Around one third planned to ask centres to share resources such as finance officers and receptionists.

Governance needs to be strengthened

2.25 Governance is the system of control for overseeing the management of an organisation, setting goals, priorities and monitoring progress. Ultimate decisions on the running of an organisation and its finance often rest with governors. Effective management committees or boards can provide a challenge role to give children's centres focus and direction to provide a good service to local children and families and can help steer partner organisations to work well together. Without effective governance, centres are less likely to achieve their intended objectives.

2.26 There are many different models of governance of children's centres because they have developed structures to suit their local priorities, so can be based on partnership boards, steering groups, school governing bodies or boards of community organisations. The Department is discussing key issues relating to the governance and management of children's centres with centres themselves, local authorities, schools and other key stakeholders. It intends to issue guidance early in 2007 on possible models of governance and management that children's centres may adopt.

2.27 Children's centre managers gave a mixed response when asked how well their steering bodies support them. Only nine (out of 30) considered that their governors or steering group members understood the key issues in running a children's centre. Only five of the centres’ steering bodies had received training on governance specific to their role. The majority of managers felt that governors either had difficulty understanding the key issues or did not understand them at all.
The first children’s centres are concentrated in the 30 per cent most disadvantaged communities

3.1 Two of children’s centres’ key principles are to provide services for everyone, and to be designed to encourage access, including better access to mainstream children’s services. However, the most disadvantaged groups are often the most difficult to persuade to use the centres, and there is therefore a risk that even apparently successful and well used centres are not meeting the needs of the most disadvantaged children and families in their area. Children’s centres designated in the first phase from 2003 to 2006 are concentrated in the 30 per cent most disadvantaged areas in England. Though local authorities have a duty to improve the life chances of all children, they are required, in particular, to reduce inequalities between the poorest children and the rest.

Children’s centres need to do more to reach the most disadvantaged children and families

3.2 Based on our visits to 30 children’s centres, we analysed how well centres are targeting the most disadvantaged children and families. Only 9 (32 per cent) were pro-actively targeting hard to reach groups (Figure 15). Centres need to do this otherwise they cannot be sure that they are reaching these families. When our focus groups explored reasons parents did not use centre services, important reasons were that they were not aware of the range of services available, and for non-users, lack of awareness of children’s centres.

3.3 From our visits to centres, discussions with users, non-users and stakeholders, we identified barriers and good practices in reaching excluded children and families. The practices are outlined in the paragraphs below, together with an indication of the benefits and the extent to which the practices are actually being applied at the centres we visited.

<table>
<thead>
<tr>
<th>Number of centres targeting disadvantaged and hard to reach groups</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>15</strong></td>
</tr>
<tr>
<td><strong>About one third of children’s centres we visited were pro-actively targeting hard to reach groups</strong></td>
</tr>
<tr>
<td><strong>Directly:</strong> Centre is pro-active in identifying and targeting disadvantaged groups and has a strategy/action plan in place. Centre develops strong links with existing community groups and health organisations to maximise outreach potential.</td>
</tr>
<tr>
<td><strong>Indirectly:</strong> Centre is engaging disadvantaged groups through being located in one of the most deprived areas. However, it is not pro-actively targeting hard to reach groups, may not be providing much outreach beyond the centre site and is not aware of groups who are currently not using the centre.</td>
</tr>
<tr>
<td><strong>Some outreach:</strong> Centre has some outreach activities for their services which target disadvantaged groups, but may be limited.</td>
</tr>
<tr>
<td><strong>None:</strong> Centre is located in a relatively less deprived area and does not specifically target disadvantaged or hard to reach groups due to either lack of outreach workers or funds.</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td><strong>Source:</strong> Analysis of results of National Audit Office visits to 30 children’s centres. For two centres we were unable to draw a clear conclusion.</td>
</tr>
</tbody>
</table>
Identify priority groups and services in the local area

How
Using available local data, develop an agreed view among agencies on the characteristics of excluded groups in the local area.

Share data on disadvantaged children and families.

Identify children in particular need early, for example, through effective and supportive joint working with health professionals and outreach activities to identify those who may have ‘slipped through the net’.

Benefits
The characteristics of excluded groups need to be known in order to find effective ways of supporting them.

Aggregated data on the extent and nature of disadvantage helps agencies develop a shared understanding of the issues they need to address.

Sharing of data and casework on specific children and families, subject to appropriate confidentiality, reduces the risks to children of harm, neglect and failure to thrive.

Our findings
Most of the centres we visited were not tracking which excluded groups were using the centre and most local authorities had not finalised their requirements for performance monitoring.

3.4 Excluded groups are commonly understood to include people from some ethnic minorities, people who are unemployed, people with disabilities, teenage and lone parents, and asylum seekers. However, different proportions of these groups live within different communities and the extent to which a person feels disadvantaged bears some relation to the circumstances of other people in their own community. People may also be hard to reach, such as those who are not visible because they find it difficult to convey their needs, or people who resist services offered to them because of suspicion or distrust born out of bad experiences. Children’s centres need to understand how their local populations map onto these different definitions of exclusion in order to develop the most appropriate strategies for identifying and supporting the people in their area at greatest risk of exclusion.

3.5 Few of the centres we visited had developed any systematic method for identifying excluded children and families in their area, which made it difficult to analyse the extent to which centres were reaching excluded groups. One of the 30 centres had created a database of all children, parents and families in the area, which contained the kind of data required to assess needs and disadvantage and was used to help develop appropriate services (Box 4).

3.6 As the bodies responsible for implementing the children’s centre programme, local authorities need to gauge levels of future need for individual services to ensure that, in the longer term, services remain relevant to the needs of the community. The Childcare Act 2006 will require local authorities to take all reasonable steps to encourage and facilitate the involvement of voluntary and private sector providers in the planning and delivery of early childhood services. The Department expects them to discuss and agree strategic plans for centres with local partners in the health, private and voluntary sectors. Most of the local authorities we interviewed had consulted parents, carers and centre users and staff and professionals involved in delivering services (Figure 16). Well over half of the local authorities had also consulted voluntary organisations, but fewer (48 per cent) had consulted existing private providers, who reported that they had not been consulted enough by local authorities or found difficulty liaising with them. A small minority of centres we visited also reported that there was already sufficient existing childcare, so the centres had difficulty filling their childcare places.

A database of the children and family population and their needs

Peterlee Children’s Centre has created a database of all children, parents and families in the area. It has done so by means of a dedicated team of midwives and health visitors who have collated all the data for the area. The database provides information that the centre can use to identify the needs of children from a very early age, develop appropriate services and monitor the children’s development. In the longer term it provides very comprehensive data that the University of Durham is analysing as part of an independent evaluation of the achievements and experiences of those involved in the programme.

Families sign a data protection agreement and the centre ensures that the terms are upheld when sharing the children’s developmental profiles.

Source: National Audit Office visit to Peterlee Children’s Centre in Durham

3.7 At centre level, Figure 17 shows our assessment of the ways in which centres identify disadvantaged children and families, drawn from our interviews with staff in the centres we visited. Centres rely largely on referrals from other agencies. Referral is an efficient and effective means, in that the children and families referred are likely to have been assessed as having genuine needs that the centre may be able to help address. However, it will rarely provide a means of identifying all relevant groups, especially those most likely to ‘slip through the net’ or who resist taking up services, as explained in paragraph 3.4.

3.8 The most isolated children and families will often require more proactive outreach activities or specifically targeted services in order to identify them and offer them help that they feel they can accept. Only a small number of the centres we visited supplemented referral with outreach activities and services targeted at specific groups such as teenage mothers (Figure 17). Staff at 78 per cent of the centres we visited considered that they needed to target local excluded groups more effectively.

**Demonstrate commitment to targeting the most disadvantaged families**

**How**

Centre manager, senior managers and stakeholders support the use of effective means of engaging these groups.

Resources monitored to track whether sufficient are directed at the most disadvantaged.

Centre’s strategy includes consideration of how its services should be designed to meet these families needs.

Commitment is reflected in key objectives and performance indicators.

**Benefits**

Staff engaged on particularly difficult work feel supported.

Everyone working through the centre is influenced by the clearly expressed commitment and priority.

Inclusion in strategy, key objectives and performance indicators raises priority and leads onto performance monitoring focused on services for disadvantaged families.

**Our findings**

Most centres had a business plan but had not thought through how they would target different groups with different strategies.
3.9 A key element of the centres we visited who were pro-actively targeting excluded groups was leadership from the centre manager, who viewed work with the most disadvantaged families as core to the centre’s role. They worked to:

- gain commitment of all centre staff;
- develop strong links with community organisations, for example to maximise the centre’s potential to provide effective outreach;
- establish joint strategies, for example with health organisations and community groups, to target disadvantaged families (Box 5); and
- support the development of approaches – by centre staff, partners or jointly – for identifying and supporting families with specific needs (Box 6).

3.10 Centre managers can develop their leadership capability through the National Professional Qualification of Integrated Centre Leadership, which the Department expects centre managers to obtain.

3.11 Most children’s centres need to deal with some disadvantaged groups that distrust formally provided services and require special encouragement to use them. One centre we visited seeks to build confidence by encouraging local families to become involved in training and in helping to run activities in the centre (Box 7).

BOX 5

A local agreement on how to target excluded groups

Huntingdon Town Children’s Centre has developed an action plan for targeting hard to reach groups based on a review of existing services. The review involved partner agencies so that needs in health, education and social care were identified, and methods to reach different groups were developed together, thus gaining commitment from all partners.

The action plan has led to better signposting and communication between partners, resulting in the centre providing a better quality service that includes the whole community. For example, Asian mothers are accessing its services for the first time, more support is provided for parents of children with special needs, and the centre now has the ability to take vulnerable mothers to its services.

Source: National Audit Office visit to Huntingdon Town Children’s Centre in Cambridgeshire

BOX 6

Identifying children and families who need extra support

Peterlee Children’s Centre has developed a screening tool to identify children with early developmental needs. The tool is used by a dedicated team at different stages of children’s development, the earliest being 18 months, to measure developmental progress. The centre offers a specific 12+ week programme if needs are identified, and refers children to specialist services if little progress is being made.

Source: National Audit Office visit to Peterlee Children’s Centre in Durham

BOX 7

Building confidence and motivation among users of children’s centres

The Brierley Hill Children’s Centre seeks to develop confidence through training and involvement in running centre activities. The centre, having established a Parent’s Forum, found that some parents lacked the confidence to put forward their views and so it established various activities such as face painting, interpreting, and evaluation courses. Some courses led to qualifications and the activities improved confidence to the extent that some parents now deliver face painting and interpreting services themselves, while others work with the centre on evaluation. These developments have also inspired and motivated some parents to become involved in groups such as the Programme Management Group.

Source: National Audit Office visit to Brierley Hill Children’s Centre in Dudley, West Midlands
Making services accessible

How

Site the main centre in a location that families may use routinely – for example, a health centre is ‘a good site’ because most families will have some contact with primary health care when they have very young children.

Provide outreach services on the doorstep of a disadvantaged community, such as from a house or flat on an estate or using a mobile bus.

Provide transport for isolated families.

Provide services or marketing information in a familiar language.

Visit vulnerable families in their homes.

Benefits

Helps to overcome cultural barriers associated with reluctance to leave a familiar community.

Widens awareness of the children’s centre services for families who might otherwise not know about them.

Helps to overcome practical barriers to access in rural areas or for people who do not speak English.

Can provide a basis for building trusting relationships.

Our findings

Most staff considered centres well located to reach their local community.

Most, but not all, centres that we visited were providing some outreach activities in areas beyond the main centre site. Some pro-active centres were providing many activities each day, in different areas and in particularly difficult communities.

A small number of the centres we visited were providing organised transport to the centre.

3.12 Phase 1 centres are already located in deprived areas, and most staff considered their location appropriate. But this may not be enough on its own to reach those who most need their services. Most, but not all, centres provided some activities in areas beyond the main site. But more centres needed to bring some services close to places that parents would easily be able to access, such as on the doorsteps of deprived locations including housing estates, which can engage parents who may otherwise be hard to reach.

3.13 Outreach and home visiting are particularly important and useful in engaging with families who will not voluntarily come into a centre. Although families may be encouraged later on to take up centre-based activities, at the outset outreach and home visiting are effective ways to help very isolated families gain access to services they need. The Department’s guidance to centres emphasises the need to offer services through outreach and home visiting. Starting from April 2007, the Department, jointly with the Department of Health, is setting up 10 demonstration sites to test an intensive model of parenting support for the most socially excluded first time mothers and their families, before and after the birth. Specially trained midwives and health visitors will deliver this support.

3.14 Centres need to provide services that will attract families to using centres, especially for those services that cannot easily be provided outside the centre. We asked users and non-users of centres whether they were satisfied with the service they were receiving and whether they felt that centres should be doing more to help them. Parents were mostly happy with the quality of service received at children’s centres and identified the following benefits:

- providing integrated services that meet several needs concurrently and reducing the risk that important needs are not addressed;
- offering a wide range of services in the same place, making them easier for parents to access (for example, providing an on-site crèche makes it easier for parents to attend workshops or adult training at the centre);
- giving advice in a professional yet informal manner, so that parents are more comfortable in asking for advice; and
- creating social networks that make parents feel more supported and part of the community.

3.15 Figure 18 overleaf shows the most important improvements that parents would like to see in children’s centres. Some centres already provide them. Views were fairly consistent across different parent groups, users and non-users.
**PART THREE**

**What parents want at centres**

**More flexible and affordable childcare**
Childcare to be available at times that match patterns of employment and in evenings and weekends. Some families cannot afford to pay for childcare beyond the twelve and a half free hours that are guaranteed for children aged three and four. More provision where there are long waiting lists.

**More support immediately before and after childbirth**
This is a time when families need most help, but it is also a time when it is hardest for them to seek it. Parents suggested that health visitors could provide information packs about what services are available. Such information should be detailed (paragraph 3.16), explaining how to access the services.

**More physical space for social activities**
Parents commented that developing informal social networks that allow them to meet with other parents and discuss their concerns is one of the biggest benefits of coming into children's centres. However, not all centres can offer enough space. Parents also wanted more fitness classes with crèche availability.

**More employment support**
Jobcentre Plus should offer services through children’s centres, but not all parents are satisfied that they are getting sufficient advice and guidance at present. Employment advice has to be handled sensitively so that families do not feel pressurised and put off from visiting the centre.

**Better signposting to specialist services**
Parents want clearer guidance on how to access support services for children with disabilities or special needs.

*Source: National Audit Office focus groups with parents*

**3.16** For centres to reach a wider community, marketing to attract attention and provide helpful information is crucial. Most centres have a range of marketing activities, including some in locally prevalent minority languages. However newsletters are usually sent to users already registered with the centre. Parents in our focus groups wanted more information on the benefits of attending classes at children’s centres and more specific detail on:

- opening times and the length of sessions;
- the age of the child eligible to attend sessions;
- whether crèche provision is available;
- cost of the services or classes; and
- whether a service caters for particular needs, such as disabled children or certain cultural groups.

**Work with partners to maximise the benefits for the most disadvantaged groups**

**How**
Through local authority arrangements, develop strong partnerships with local public, private and voluntary organisations who work with disadvantaged groups.

**Share experience on the most effective ways of engaging particular groups.**

**Develop agreed approaches to outreach so that duplication is avoided and gaps are filled.**

**Explore the scope for detailed agreements, for example on referrals, with relevant bodies, particularly health and voluntary groups that have good contacts in disadvantaged communities.**

**Benefits**
Outreach work with disadvantaged groups is generally costly. Resources can be maximised by eliminating duplication and working effectively with organisations that have well developed outreach.

People dislike being approached by multiple unknown agencies – working through familiar channels is most effective.

Good contacts between agencies reduce the risk of children and families ‘slipping through the net’.

Working in partnership makes good use of essential expertise, such as health visitor experience in dealing with difficult cases.

**Our findings**
Most centres engaged with a small number of partnership agencies, but only a small minority made use of all the existing community organisations in the area that had established relationships with local people.

Most centres we visited were working with health via referrals but two-thirds of centres we visited had difficulties working with health organisations. Some centres had established successful partnership agreements with health and other partners.
3.17 To make the most of the opportunity that children’s centres provide to join up services, it is crucial for local authorities and all their partners to work well together. By working together, they can provide more extensive, integrated services and avoid duplication (Box 8). Families can access services in one place, seek advice from some professionals without referral, and are less likely to miss out on services that they would otherwise have to seek from a number of different places. They also value specialist staff being able to spot any developmental issues early.

3.18 However, centre managers reported that one of their biggest challenges for the future was making partnerships work effectively at a local level (Figure 2). Health, Jobcentre Plus and Social Services were the bodies most frequently identified (Figure 19). Most centres we visited were working with a small number of partners, but only a small minority had contacts with all relevant community organisations that had established relationships with local parents.

Box 8: Working with a range of local partners

Rusholme Children’s Centre estimates that it has worked with over 200 partnerships since it was established to deliver services in the area. The partnerships include statutory bodies, public organisations and voluntary organisations, with the aim of using and enhancing existing provision to meet the needs of Manchester’s many groups and communities.

The centre, as a result of having good partnership working, has a wide outreach and has encouraged communities who speak different languages to access services, for example via the Somali Women’s Group. Rusholme hopes that by working with existing groups it will avoid duplication and be able to provide a wider range of services, as well as encouraging more partnership working in the area.

Source: National Audit Office visit to Rusholme Children’s Centre in Manchester

19 Barriers to children’s centres’ work with partners

Children’s centre managers and local authorities reported cultural, organisational and communication barriers to working with partners.

<table>
<thead>
<tr>
<th>Causes</th>
<th>Consequences</th>
<th>Resulting in difficulties working with:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Different organisations have different targets, agendas or initiatives and pull in different directions</td>
<td>Hard to understand other people’s roles</td>
<td>Health 18 64</td>
</tr>
<tr>
<td>Different organisations have different cultures and organisational requirements</td>
<td>Hard to build trust across professions</td>
<td>Jobcentre Plus 6 21</td>
</tr>
<tr>
<td>Staff are on different terms and conditions</td>
<td>Communication is challenging and requires regular meetings</td>
<td>Social Services 5 18</td>
</tr>
<tr>
<td>Other organisations are under-staffed or have limited resources to work with centres</td>
<td>Hard to bring together different initiatives or concepts</td>
<td></td>
</tr>
<tr>
<td></td>
<td>People work in silos (not sharing resources, information or ideas)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Personality issues create difficult situations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hard to gain respect for the children’s centre agenda</td>
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<tr>
<td></td>
<td>Lack of clarity over who should fund what</td>
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</tr>
<tr>
<td></td>
<td>Hard to integrate different cultural ways of working</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Difficulties over sharing data across professions</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hard to get people to work together</td>
<td></td>
</tr>
</tbody>
</table>

Source: National Audit Office visits to children’s centres; interviews with centre managers
3.19 Under the children’s trust arrangements arising from the Children’s Act 2004, the Department expects local authorities to work with Primary Care Trusts and other partners to develop effective multi-agency arrangements for children’s centres. The Childcare Act 2006 places a further duty on these partners to work together to improve the well being of under fives. Our focus groups with stakeholders also highlighted the importance of local authorities helping develop agreements with partners at a strategic level (Box 9).

3.20 Most centres are working with health via referrals, but only five of the 27 local authorities we examined had formally agreed with Primary Care Trusts what services to provide through children’s centres. The reorganisation of Primary Care Trusts from October 2005 slowed progress in some areas. Very few areas have established a joint strategy with health bodies for working together to target disadvantaged groups. Some centres have achieved this through communicating the benefits that centres bring for other strategic partners (Box 10).

3.21 Centres considered that shortages of health visitors and funding pressures within Primary Care Trusts had contributed to difficulties in gaining commitment from health organisations to prioritise the work of, and take part in, children’s centres. Some also had difficulties gaining access to personal case information, although obtaining consent could also have been an issue. Two of the former Sure Start Local Programmes we visited said they had used their own funds to buy the health element of their provision, which risks duplicating existing health services, although the Department neither recommends nor envisages that centres should have to do so. One centre that is based on community premises that accommodates a health centre had been successful in integrating the work of health professionals into the children’s centre (Box 11).

3.22 Some areas also found it difficult to form effective partnerships with Jobcentre Plus. While employment support is included in the core offer of children’s centres, Jobcentre Plus has struggled to provide some centres with staff time, especially where drop-in sessions have low take-up. In our focus groups, parents’ awareness about employment help offered by centres was lower than for other services, and it did not feature strongly among the services they expected centres to provide. They perceived that centre staff were less pro-active in highlighting employment help compared to other services such as parenting support, possibly because employment is not usually a professional focus for the staff. However, where people requested help, some centres were responsive (for example, Box 12 and Box 13).

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**BOX 9**

**Strategic partnership agreements**

Charities in our focus group of key stakeholders were concerned that centres are negotiating individually for support from local partners in health, education and social services. They considered that a more strategic approach would be more efficient and effective in helping to ensure that partner agencies give appropriate priority to co-operative working and make staff and resources available to centres. They envisaged:

- a clear direction from the local authority, which should dedicate specific resources to co-ordinating partnerships and monitoring how they are operating;
- good personal relationships between teams that are essential to successful partnerships; and
- stability and clarity of different teams’ objectives in relation to the centre and, as far as possible, stability of team members.

*Source: National Audit Office focus group with key stakeholders*

**BOX 10**

**Working well with health**

The health professionals within Lune Park Children’s Centre provide a number of services, such as speech and language therapy, psychology specialist, smoking cessation, health visiting and midwife services, all of which have service level agreements with the centre.

The agreements have led to better partnerships with health and benefits for both the people accessing the services and the health professionals themselves. One health visitor was reluctant to spend time sitting down to chat to families while they were having tea or coffee as she felt that this was not a priority for her work, but now brings along her scales and not only does the weighing but is also able to do valuable qualitative work with them, which otherwise may not have been done given they are hard to reach. The new way of working has enabled the health visitor to achieve health targets more easily as she gains access to individuals whom she would otherwise have to visit at their houses separately.

*Source: National Audit Office visit to Lune Park Children’s Centre in Lancaster*
3.23 The Childcare Act duty to work together in local partnerships from 2008 (paragraph 3.19) extends to Jobcentre Plus. It is reviewing current areas of activity to ensure more effective use of resources in priority areas (Box 14).

**BOX 11**

**Integrated working with health**

The Bromley by Bow Centre in Tower Hamlets is a voluntary organisation led by the local community first set up in 1984. It offers a range of activities broadly grouped around enterprise, education, environment, health and the arts. It was designated a children’s centre in June 2003. The centre is able to offer integrated services for children and families. For example, a general practice health surgery based in the centre has a patient list of over 5,000, and patients attending appointments may come into contact with diverse opportunities such as an IT facility with free public access and scheduled lessons, courses ranging from basic skills to higher education diplomas, and arts activities for babies, young children, young people and adults. The children’s centre staff and health teams can easily attend each other’s meetings and also, where appropriate, attend some home visits to families together.

*Source: National Audit Office visit to Bromley by Bow Children’s Centre in Tower Hamlets, London*

**BOX 12**

**Helping people to develop wider skills for employment**

Sure Start Hatcham Oak Children’s Centre provides a programme of training and support that includes a focus on wider skills, such as assertiveness and confidence building, to help parents into work. The programme developed because the centre realised that people undertaking practical employment training, such as in interviewing skills and CV writing, also needed softer skills to help build their self-esteem.

By providing ‘nurturing’ support, such as massage to relieve postnatal depression, the centre has helped people who were unemployed for long periods into work. Some of those helped are also helping the centre reach more people by returning to share their experiences.

*Source: National Audit Office visit to Sure Start Hatcham Oak Children’s Centre in Lewisham, London*

**BOX 13**

**Effective joint work with Jobcentre Plus**

Forest First Children’s Centre is using a ‘teletalk’ system for working with Jobcentre Plus. The system enables centre staff to log on and directly access a Jobcentre Plus advisor as required, enabling users of the centre to receive employment advice on demand but without the advisor having to attend the centre. The system is one of a number of partnership initiatives between Forest First Children’s Centre and Jobcentre Plus, which include running job searches and receiving the latest local jobs two or three times a week.

The joint work is mutually beneficial, including in terms of its contribution to the centre meeting its objective to provide employment advice and to Jobcentre Plus targets for helping people into employment.

*Source: National Audit Office visit to Forest First Children’s Centre in the New Forest, Hampshire*

**BOX 14**

**Jobcentre Plus activities in partnership with children’s centres**

Jobcentre Plus employs 60 Childcare Partnership Managers to work with local partnerships to ensure that a work focus and understanding of the needs of disadvantaged families is reflected in the planning and delivery of local childcare services, including within children’s centres. It considers that the following work well in achieving its aims:

- early joint planning between children’s centre managers and Childcare Partnership Managers;
- allocating space in children’s centres to Jobcentre Plus;
- partnership workshops for children’s centre and Jobcentre Plus staff; and
- the availability of nursery provision in centres.

It is also considering ways of working with the private and voluntary sectors, and opportunities for co-locating children’s centres with Jobcentre Plus or having a Jobcentre Plus presence at children’s centres in towns where a full-time office is not viable.

*Source: Jobcentre Plus*
Identify and meet the needs of groups at risk of being overlooked

**How**

- Identify under-represented groups within the area, for example through discussion with community groups and health professionals.

- Bring together groups of people such as fathers, families with disabled children and smaller ethnic groups, to establish whether they have specific unmet needs.

- Directly consult these groups on which services are the most valuable to them.

- Engage parents in sensitive and subtle ways, such as through community cafes and social groups.

**Benefits**

- Engages families who may believe that centres have nothing to offer them.

- Centres can diversify services to make them more appropriate and likely to be used – small changes may make a big difference.

- The informal setting of the children’s centre may make it easier to elicit useful information on preferences that can be passed onto other agencies.

**Our findings**

Most centres had undertaken local consultations on services that the community want, but not all centres were providing services for particular under-represented groups.

3.24 Our focus groups of non-users of children’s centres illustrated some of the difficulties in encouraging a range of families, including the most disadvantaged families, to use the centres. Many had strong preconceptions about the kind of people who would use a children’s centre, often based on their own background. For example, some non-users felt intimidated because they perceived that users were relatively wealthy leading to a feeling that centres were ‘not for them’, whereas others believed that the centres were mainly intended for parents on benefits and teenage mothers. Centres can use subtle ways of attracting parents to the services on offer through informal social groups and volunteering (Box 15). In this way, the centre can provide benefits beyond the services that they offer to children, and in some cases at relatively low additional cost.

**BOX 15**

<table>
<thead>
<tr>
<th>Engaging parents sensitively and providing benefits beyond immediate services</th>
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<tr>
<td>The Sure Start North West Nottingham children’s centre encourages users to volunteer for work at the centre. One mother started attending yoga classes and the toy library at the centre and subsequently volunteered to run the centre’s weight watchers class. The centre paid for and provided childcare to enable her to run the class. She received training in a wide range of areas including first aid, basic food hygiene and volunteer training. She gained qualifications from the volunteering and is now employed as a community food worker across a number of children’s centres in the area. The parent was previously unemployed and feels that the volunteering and the services she has encountered at the centre have given her important life skills in dealing with people, gaining confidence and being a good mother. For example, she now considers alternative ways of dealing with difficult situations with her child. She has ambitions to start her own healthy eating café.</td>
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</table>

Source: National Audit Office visit to Sure Start North West Nottingham children’s centre

3.25 Our focus groups with users and non-users of children’s centres found that centres were better at providing for the needs of lone parents, teenage parents and ethnic minorities in areas with relatively large minority populations. Children’s centres were less effective at meeting the needs of fathers, parents of children with more severe disabilities and minority ethnic groups who are not numerically prevalent in their local area.

3.26 Fathers can be at risk of isolation through a lack of confidence in parenting and difficulties admitting the need for help or emotional support. Fathers in our focus groups who were non-users of children’s centres felt that the centres were more appropriate for mothers’ needs and ‘not for people like me’. Some fathers using centres felt that staff were less pro-active and less willing to allocate resources towards helping them rather than mothers, even though some were single parents with clear support needs as sole carers. Participants in our focus groups suggested that football clubs, DIY classes and other sports groups that encourage parental play with children would help to attract fathers. Box 16 provides an example of a centre that specifically targets fathers to find out what their needs are and provide appropriate support.
3.27 Looking after a child with disabilities can magnify the anxieties about parenting (Box 17). Our focus groups of parents found that centres provide some value, but for more moderate needs. Parents found centre staff understanding, and in some cases they helped provide rest and respite. Some played a useful role in identifying speech or behavioural problems early, referring parents to specialist support.

Box 18 provides an example of how children’s centres can help meet the needs of children with disabilities.

3.28 It was clear from the experiences of parents in our focus groups, that children’s centres are not generally able to meet the needs of children with severe physical, sensory or behavioural disabilities. Parents also commented that centres could be inconsistent in referring onto specialist provision, because staff awareness was low. Few centres may be able to provide or host appropriate services, but parents felt that it was vitally important for centre staff to be aware what services were available in the area and able to help families gain access to them. Local authorities may need to consider sharing services across a wider area so that good quality services for disabled families can be developed and used effectively.

3.29 Centres find it relatively difficult to cater for the cultural and linguistic needs of communities who are small minorities within an area. In some cases, they do not have staff with relevant languages to provide for every minority. The minority groups themselves may also simply assume that services will not be suitable or tailored to them. Centres in very diverse communities face a particular challenge in communicating to all sections of the community the benefits of the services they offer.
4.1 Children’s centres are intended to have a positive impact on children’s development, provide support to families with young children, and facilitate the return to work of parents who are unemployed. Assessing progress against these outcomes requires a range of measures. In November 2006 the Department published a performance management system for local authorities to use to monitor performance in children’s centres, in particular to help authorities and centres address the needs of the most excluded families. The proposed system plans to rely as much as possible on existing national data sources rather than asking centres to collect their own. The Department wishes local authorities to work with children’s centres to support improvement, monitor outcomes and challenge poor performance where necessary.

4.2 Using the knowledge gained from undertaking our study, and building on the Department’s system, Figure 20 sets out what we consider to be the key indicators needed to assess progress locally and nationally. Data to measure progress against the indicators could be gathered using a range of methods, and children’s centres, local authorities and the Department is making use of these methods to varying extents.

The full effectiveness of children’s centres will only be measurable in the long term

4.3 It will only be possible to assess the extent to which children’s centres are achieving their overall goals in the long term. Evaluations of comparable programmes in the United States have demonstrated a positive impact on children’s lives, but have required results to be measured over a number of years (Appendix 4). The indicators for long-term outcomes are measured routinely by Government surveys such as the Family Resources Survey and the Labour Force Survey, but such surveys cannot be used to determine whether it is children’s centres that have had an impact, which will require data tracking changes in achievements for individual children. The Department is doing this in two ways:

- **Measures of children’s communication, social and emotional development.** The Department’s Public Service Agreement targets include improving child development and reducing inequalities in child development, measured using the Foundation Stage Profile. The profile records measures against children’s development goals, normally compiled on completing the reception year at primary school. It gives numeric scores for how children are developing, so could indicate whether interventions by children’s centres are having an effect. The profile was introduced from 2003-04, but available data was not reliable enough to derive a baseline from which progress could be measured until 2006, so it is too early to assess progress.

- **Longitudinal data on the impact of Sure Start Local Programmes.** The Department commissioned an extensive evaluation (Box 19 on page 38) that includes an examination of the programmes’ effect on a wide range of child, parenting and family outcome measures. The study team is tracking the families they have visited to assess the impact of the Sure Start programme over the coming years. The Department is considering how children’s centres might be evaluated – no decisions have yet been made.

4.4 In addition, Ofsted has statutory responsibility for the inspection of childcare provision and nursery education provided by schools. Early years settings, including children’s centres, are inspected every three to four years. The Department is considering how the inspection arrangements might cover other children’s centre services without adding to the total burden of inspection or duplicating other quality assurance.
## Measures

**Long-term outcomes**

- Reduction in child poverty
- Increased parental employment
- Improved academic performance of children and young people
- Improvements in child personal and social development
- Reduction in number of children at risk¹

**Short-term outcomes**

- Number of parents with basic skills
- Number of parents volunteering, undertaking training, or entering employment
- Improvements in children’s behaviour
- Quality and availability of childcare
- Parents’ confidence/satisfaction

## Potential sources

- National surveys
- Longitudinal data
- Performance evaluation
- Local authority data
- Surveys
- Longitudinal data
- Administrative data
- Inspection reports

## Availability

- National surveys measure poverty and employment but changes cannot be linked to the children’s centre programme.
- Academic performance data will be available.
- National Evaluation of Sure Start Local Programmes under way; children’s centre evaluation being considered.
- Foundation Stage profile will measure improvements in child development from 2006.
- National surveys measure basic skills but changes cannot be linked to the children’s centre programme.
- National Evaluation of Sure Start is tracking changes in child development.
- Ofsted registers and inspects childcare provision and nursery education (paragraph 4.4).
- Some centres carry out surveys of parents.
- Children’s centres’ collection of activity data is patchy (paragraphs 4.6 to 4.11).

## Outputs

- Childcare provided
- Visits by health visitors
- Outreach visits
- Information provided to new parents
- Parenting classes

## Inputs

- Centres established
- Qualified staff employed
- Childcare places

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### NOTE

4.5 In 2005, the team evaluating Sure Start Local Programmes reported on the Early Impacts of Sure Start Local Programmes on Children and Families. Longitudinal data had not yet been collected so the report compared families with children of nine months and three years of age in areas where Sure Start Local Programmes had been in operation for three years to a comparison group of similar areas which had not yet been included in the Sure Start programme (Box 19). Our finding that most centres are not identifying and targeting the most excluded groups supports the conclusion of the evaluation team that special efforts might be needed to ensure that those most in need did not miss out on the support that programmes offered.

Centres are uncertain about how to measure their performance

4.6 Centres cannot achieve planned outcomes if they do not know that the services they provide are likely to contribute to meeting them. Activity data at a local level is needed to make an assessment. The Department has set out the core services it expects children's centres to provide (Figure 5), but does not track whether these are being delivered in each centre. It will be important for local authorities to ensure that centres consistently provide core services.
4.7 Within the core offer, the level of each service to be provided is to be determined according to local need. Centres and local authorities will need to decide their priorities and targets, and how to monitor performance against them. We found that limited progress had been made to date in this respect (paragraphs 2.22 and 3.6 to 3.7).

4.8 Over half (56 per cent) of the local authorities that we consulted were not actively carrying out any monitoring. The remainder derived the targets they used to measure performance from a variety of sources, ranging from Public Service Agreement targets to information on take-up of services by different groups. The lack of consistency between different authorities makes it difficult to assess the aggregate performance of centres across England.

4.9 To measure children’s centre outputs, the centres themselves need to have systems to collect data on their activities. However, centres we visited are not collecting data in a consistent way, and some are unclear about the types of information that they should be collecting and how to use it. We found nearly a quarter of the centres we visited were doing either no or minimal performance monitoring (Figure 21).

4.10 Some centres do have relatively well developed performance measurement arrangements. Where they have evolved from Sure Start Local Programmes, they have tended to continue collecting data that was previously required by the Department. They were initially asked to monitor progress in their areas against a range of indicators reflecting the then Public Service Agreement targets (Box 20). Centres found it difficult to collect this data and told us some indicators, such as smoking in pregnancy, related to areas they could not influence.

4.11 Some centres have monitoring systems that help focus staff efforts on the targets they are trying to achieve (Box 21). In addition, some centres use Foundation Stage Profiles (paragraph 4.3) to monitor their impact on children. Some centres are also measuring the quality of their work (for example, by getting feedback from service users) without this information being reflected in reported performance information.

### BOX 20

**Monitoring based on the former requirements for Sure Start Local Programmes**

The Department reduced its requirements over time, but the programmes we visited were asked to report annually:

- a basic population profile of their catchment area, including the population under four, births during the year and an ethnic breakdown;
- the number of children seen (that is, who used a service which was funded or substantially reshaped by the local programme) in a single month, broken down by age, ethnicity and whether they had a disability; and
- data for the centre’s catchment area on sixteen indicators relating to progress against PSA targets, ranging from the number of mothers breastfeeding at birth to the number of children in households where no-one is working.

### BOX 21

**An example of an effective performance monitoring approach**

The manager of Hailsham & The Diplocks Children’s Centre set about creating a performance monitoring system so that staff were clear about their responsibilities and the targets they were meant to deliver.

The system was developed by putting targets into categories such as health, education and childcare, and assigning staff members to each area. The staff complete an annual profile of what they will deliver and report on their performance quarterly. The performance monitoring system is also used for service providers with which the centre has service level agreements, so that they too are effectively monitored.

For the staff at Hailsham & The Diplocks Children’s Centre the monitoring has helped them to reflect on past performance and focus on what they are trying to achieve.

Source: National Audit Office visit to Hailsham & The Diplocks Children’s Centre in East Sussex

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**Children’s centres derive their performance targets from many different sources**

<table>
<thead>
<tr>
<th>How have centres chosen their performance measures?</th>
<th>(Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use the targets that were set for Sure Start Local Programmes</td>
<td>12 (43)</td>
</tr>
<tr>
<td>There are no targets or minimal performance monitoring</td>
<td>7 (25)</td>
</tr>
<tr>
<td>Just have a target for the number of families engaged by the centre</td>
<td>2 (7)</td>
</tr>
<tr>
<td>Just collect data required for nursery schools</td>
<td>2 (7)</td>
</tr>
<tr>
<td>Have targets (but source is not specified)</td>
<td>2 (7)</td>
</tr>
<tr>
<td>Targets are based on Every Child Matters agenda</td>
<td>1 (4)</td>
</tr>
<tr>
<td>Monitor progress of children’s foundation stage profiles (see paragraph 4.3)</td>
<td>1 (4)</td>
</tr>
</tbody>
</table>

Source: National Audit Office interviews with 28 children’s centre managers
1. Our primary research focus was to establish whether the centres established to date and the responsible local authorities are able to deliver value for money. To do this they need to:

- have sound business and financial plans, and manage resources to deliver services in the most cost-effective way;
- be well used by local children and families, provide effective support to the most disadvantaged groups such as the unemployed, lone parents, ethnic minorities, teenage parents and disabled people, and have clarity of purpose so that staff from the various agencies work together to provide an integrated service (Part 3); and
- track who they are reaching and measure the impact of their activities in order to demonstrate performance (Part 4).

The methods we used to answer these questions are described below. We conducted our fieldwork in 27 out of 136 top-tier local authority areas which had established children’s centres by September 2005. We visited 30 centres in these areas to collect detailed information and interview staff; we asked for financial and activity data about each children’s centre in the local authorities which had been set up by September 2005; and we interviewed children’s centre development officers in each local authority. We conducted our fieldwork between December 2005 and July 2006.

2. We selected a representative sample of 30 unitary and secondary tier local authority areas, stratified into three different categories (high levels, average levels and low levels compared to averages of other local authorities) of certain factors. These factors were: numbers of children’s centres within an authority, deprivation levels, levels of ethnic minorities, numbers of lone parents, numbers of people of working age with no qualification, per cent of population aged under five and per cent describing their health as ‘not good’. In particular, stratifying the areas with children’s centres using the index of relative deprivation, we selected ten from the most deprived areas, ten from the middle group and ten relatively less deprived areas. The sample also contained one local authority from each of the nine regions in England. We then selected one children’s centre at random from each of these areas, and confirmed that the resulting sample represented a wide range of different backgrounds, including centres which contracted out services as well as those which provided all services themselves, new and old centres, and centres that developed from different types of existing provision, such as Sure Start Local Programmes, Early Excellence Centres and Neighbourhood Nurseries. We excluded very new centres which had been designated after September 2005.
The centres we visited, along with their corresponding local authority, are given below:

<table>
<thead>
<tr>
<th>Name of Children's Centre</th>
<th>Name of Local Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Huntingdon Town Children's Centre</td>
<td>Cambridgeshire (Huntingdonshire)</td>
</tr>
<tr>
<td>Sure Start Tilbury Riverside</td>
<td>Thurrock</td>
</tr>
<tr>
<td>Oughton School</td>
<td>North Herfordshire</td>
</tr>
<tr>
<td>Histon Early Years Centre</td>
<td>Cambridgeshire (South Cambridgeshire)</td>
</tr>
<tr>
<td>Harwich Children's Centre</td>
<td>Essex</td>
</tr>
<tr>
<td>Sure Start North West Nottingham</td>
<td>Nottingham</td>
</tr>
<tr>
<td>Greenfields Children's Centre</td>
<td>Ealing</td>
</tr>
<tr>
<td>Sure Start Hatcham Oak Children's Centre</td>
<td>Lewisham</td>
</tr>
<tr>
<td>Norwood Green Children's Centre</td>
<td>Hounslow</td>
</tr>
<tr>
<td>Fortune Park Early Years Centre</td>
<td>Islington</td>
</tr>
<tr>
<td>Sure Start Peterlee</td>
<td>Tower Hamlets</td>
</tr>
<tr>
<td>Sure Start Thorntree</td>
<td>Middlesbrough</td>
</tr>
<tr>
<td>Workington Minto Centre</td>
<td>Cumbria (Allerdale)</td>
</tr>
<tr>
<td>Longtown and Bewcastle</td>
<td>Cumbria (Carlisle)</td>
</tr>
<tr>
<td>Overdale Educare Centre</td>
<td>Knowsley</td>
</tr>
<tr>
<td>Lune Park Children's Centre</td>
<td>Lancashire</td>
</tr>
<tr>
<td>Rusholme Children's Centre</td>
<td>Manchester</td>
</tr>
<tr>
<td>Guildford Children's Centre</td>
<td>Surrey</td>
</tr>
<tr>
<td>Forest First Sure Start Centre</td>
<td>Hampshire (New Forest)</td>
</tr>
<tr>
<td>Park Early Years Centre</td>
<td>Hampshire (Rushmoor)</td>
</tr>
<tr>
<td>Hallisham East &amp; The Diplocks</td>
<td>East Sussex</td>
</tr>
<tr>
<td>ACE Centre</td>
<td>Oxfordshire</td>
</tr>
<tr>
<td>Little Vikings Children's Centre</td>
<td>Somerset</td>
</tr>
<tr>
<td>WANDS Children's Centre</td>
<td>Worcestershire</td>
</tr>
<tr>
<td>Sure Start Brierley Hill</td>
<td>Dudley</td>
</tr>
<tr>
<td>Newdale Children's Centre</td>
<td>Telford and Wrekin</td>
</tr>
<tr>
<td>Mansfield Green Children's Centre</td>
<td>Birmingham</td>
</tr>
<tr>
<td>Highfield Children's Centre</td>
<td>Bradford</td>
</tr>
<tr>
<td>Burngreave Children's Centre</td>
<td>Sheffield</td>
</tr>
</tbody>
</table>

Quantitative analyses of statistical data

We sought financial information and activity data via email from the 27 primary tier local authorities responsible for the areas in our sample about each of their children's centres – 113 centres in total. We received responses from 19 authorities covering 69 centres (a response rate of 61 per cent). Centres were asked to complete an Excel spreadsheet containing questions on a range of activity measures, including childcare places provided, the number of parents using centre services, the volume of home visits, and questions on the cost of activities, including the number of hours of staff input and the salary cost of staff providing services. We carried out detailed checks on this data, including checks for internal consistency, regional comparisons, and comparison with the information we collected directly during our field visits (see below). Where we did not have confidence in the reliability of the data provided we excluded it from the analysis.

The data we collected covered 70 per cent of the local authorities sampled (69 per cent of centres), so we cannot be sure that the data used for the model is representative of the sector as a whole. However, the responses closely matched the profile of our total sample: for instance, seven of the most deprived areas, seven of the middle group and five of the least deprived group. We tested the data used for systematic non-response bias using the criteria used to select the sample and identified no significant differences from the total sample.

We used multiple linear regression to assess the extent to which variations in children's centres’ expenditure can be explained by activity levels and contextual factors. We added area-level factors to the model such as deprivation and rurality measures obtained from Office for National Statistics neighbourhood statistics. The main elements covered:

- variation in expenditure between children's centres;
- the extent to which centres’ activity levels explain variations in expenditure; and
- the extent to which area-level factors such as deprivation and rurality influenced expenditure.

Further details of the multivariate model we developed can be found in Appendix 4.
Visits to children’s centres

7  We sought financial data at our visits to 30 children’s centres to identify whether centre managers and local authorities had a good understanding of their income and expenditure, the range of funding sources, and to assess how their funds were being used for specific services.

8  We provided each centre with a detailed interview schedule in advance, and conducted in-depth interviews with each children’s centre manager based on these schedules. The interviews identified whether centres have clear objectives, how centres are targeting disadvantaged groups, whether centres are monitoring and evaluating their outcomes, the barriers to effective partnership working between the various agencies, whether centres are getting the support they need from local authorities and the Department, and recruitment and retention issues.

9  Managers were not always able to answer questions on all our topics, for instance because they were new in post (4 centres). Nor did centres always have the documents we requested. For these reasons, the figures in the main text based on our visits will not usually sum to 30 centres.

10  We conducted in-depth interviews with 134 staff from a range of professions including nursery nurses, teachers, health professionals, and family support workers across the 30 children’s centres we visited. We aimed to identify staff views on career development offered by centres, how staff target disadvantaged groups and their involvement in outreach activity, and barriers to effective working with partner agencies.

11  We developed a framework to analyse the material we collected from children’s centres, incorporating interview transcripts, completed staff interview schedules, financial reports, planning documents, marketing material and other documentation. We constructed matrices to analyse this information across the key themes.

Interviews with local authorities

12  We conducted semi-structured telephone interviews with staff responsible for children’s centre delivery at the 27 primary tier local authorities responsible for the 30 areas in our sample (except for two where we interviewed staff in person and obtained further details by email). We asked questions to identify how they are managing the programme, how they are consulting and integrating with local partners, the challenges they have faced in setting up children’s centres, and how they are planning for future centres. We analysed the results using a framework similar to that developed for centres.

Interviews with Regional Managers

13  We conducted in-depth interviews with regional managers from each of the nine regions to gain a strategic overview of the initiative and their perspectives on finance, performance monitoring, governance arrangements, targets for children’s centres and relationships with local authorities.

Focus groups with parents and key stakeholders including charities

14  We commissioned Ipsos MORI to carry out group discussions with service users at five children’s centre locations to obtain perspectives from users and non-users of children’s centre services on:

- the extent to which centres are meeting the needs of all parents and families, and what developments are needed to do so;
- the types of needs that are more or less well met;
- the groups of parents whose needs are more or less well met; and
- the extent to which services are accessible and reach the families who most need them.

15  The five sites were selected to ensure a spread of regions, a mix of urban and less urban and a range of centre configurations such as Sure Start Local Programmes, a Neighbourhood Nursery, or a new build. At each site Ipsos MORI conducted an initial in-depth interview with the centre manager, providing contextual information about the centre’s services and the nature of the local area, to inform discussions with parents and help interpret findings. The research among parents at each site comprised of two group discussions with three service users each (with each group of three focusing on users of a particular type of centre service, such as childcare or healthcare) and one group discussion in the local area with parents who had not used the children’s centre (non-users). The five non-user groups were of parents of children with disabilities; Muslim parents; fathers; young mothers (under 25); and unemployed or lone parents. We also included at least one person from these groups in the user discussion groups. More than seventy parents took part in the research.

16  Ipsos MORI also conducted one group discussion with representatives of national children’s charities. Their input provided a strategic perspective on children’s centres’ ability to develop and deliver services.
Workshop with private and voluntary providers of childcare

17 We held a discussion with a group of six private and voluntary providers of childcare, including representatives of national providers and single nurseries, to gain their perspective on how they have interacted with centres and local authorities in their area and the barriers to working with the children’s centre programme.

Analyses of information held by the Department

18 The Department uses a web-based system to collect information held by local authorities. We extracted information from this system used by the Department to collect information held by local authorities to view progress made by local authorities in meeting their phase 1 and phase 2 targets, as well as capital and revenue amounts allocated to local authorities in England for the development of centres. The system also contains specific information on services provided by individual children’s centres.

Reference Panel

19 We convened a panel of experts to act as a sounding board to comment on our emerging findings and gain a range of perspectives from front-line, academic and strategic stakeholders involved in the children’s centre initiative.

Reference Panel members

David Forsyth  Local authority consultant for children’s centres
Chris McLoughlin  Head of Sure Start Service, Manchester City Council
Professor Edward Melhuish  Executive Director of National Evaluation for Sure Start
John Rogers  Headteacher, Greenside Primary School
Jan Stoll  NCH, the children’s charity. Formerly known as National Children’s Homes
1 The Department used funding formulae to allocate amounts to local authorities for the two phases of the children’s centre programme. The formulae take account of the number of children aged 0–5 living in disadvantaged areas, the number of new childcare places the local authority would create in children’s centres (in Phase 1 only), whether centres would be built on Sure Start Local Programmes, and whether centres would be in London or in rural areas.

2 The different targets for Phases 1 and 2 are reflected in the funds allocated. The targets for the local authorities are:

   **Phase 1:** Reach 65 per cent of children aged 0–5 living in the 20 per cent most deprived wards. The target is 650,000 children to be reached, of which around 350,000 would be reached through existing Sure Start Local Programmes, and 300,000 via other settings.

   **Phase 2:** Deliver a target number of centres, so that by March 2008 there would be a total of at least 2,500 children’s centres, nationally reaching 2.1 million children.

3 Local authorities are responsible for allocating resources to individual centres according to the level of additional resource needed to deliver the core offer services. However, most have not yet developed a sound basis for allocating funds to centres. A majority (52 per cent) have not identified the cost of core services to be delivered through centres. They rely instead on existing service providers to inform them of the cost of services provided. Only five of the 27 local authorities we examined said they had done some detailed work to identify costs. For example, Dudley Metropolitan Borough Council has undertaken costing to help decide how much to allocate to each of its centres. Its funding formula is based on three elements.

   a A core budget which is the same for all centres.
   b A variable budget based on the level of local deprivation (index of multiple deprivation) and the number of children in the ‘reach’ area.
   c A fixed amount to help with childcare start up costs (for centres with no existing childcare provision).

4 The model takes the total available funds for Dudley Metropolitan Borough Council and deducts a base budget, any start up funding, and funds for new childcare places for each centre (rows 2 to 6 in the table). Once the base budgets and funds for new childcare places have been allocated, the borough divides the remainder by two, allocating half according to the index of deprivation for each children’s centre area, and half according to the number of 0–5 year olds:

   ■ For the deprivation part, the sum of the indices of deprivation for the areas of each children’s centre in Dudley was 128. They divided the funds to be apportioned by this total to get the unit cost in row 7. By then multiplying up by the unit cost in row 7 with local area index of deprivation (row 8), each centre gets a portion of the sum available in proportion to their deprivation index (row 9).

   ■ For number of 0–5 year olds, this is calculated in the same manner as above. The sum of the 0–5 year olds residing within the reach of each of the children’s centres in Dudley was 9,250. Dudley then divided the funds to be apportioned by this total to get the unit cost in row 10. By multiplying up the unit cost (row 10) with the number of 0–5 children residing within the reach of a children’s centre (row 11), each centre gets a portion of the sum available in proportion to the number of 0–5 year olds residing in their catchment areas (row 12).

   ■ The total amount given to the centres is the sum of base budget (row 3), childcare funding (row 6) and family support funding (row 13).
Below we give a hypothetical example of how much would be awarded to a children’s centre based in Dudley. This is provided as an illustrative example and should not be taken as a blueprint for funding all centres. Authorities will need to take a range of factors into account in allocating funding, and these will vary according to local needs and levels of existing service provision.

**Dudley Borough Council has developed a formula to allocate funds to children’s centres in the area**

The figures look at the revenue amount given to the centre

### Childcare cost for children’s centre

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start up</td>
<td>£0</td>
</tr>
<tr>
<td>Base Budget</td>
<td>£180,760</td>
</tr>
<tr>
<td>Number of new childcare places</td>
<td>33.5</td>
</tr>
<tr>
<td>Unit cost of childcare per place</td>
<td>£175</td>
</tr>
<tr>
<td>Total childcare funding</td>
<td>£5,862</td>
</tr>
</tbody>
</table>

### Family support cost for the children’s centre

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit cost of funding based on index of deprivation for the ward</td>
<td>£4,678</td>
</tr>
<tr>
<td>Average of index of deprivation</td>
<td>12.8</td>
</tr>
<tr>
<td>Funding based on index of deprivation</td>
<td>£59,878</td>
</tr>
<tr>
<td>Unit cost of funding based on number of 0–5 year olds</td>
<td>£64.52</td>
</tr>
<tr>
<td>Number of 0–5 year olds</td>
<td>534</td>
</tr>
<tr>
<td>Funding based on number of 0–5 year olds</td>
<td>£34,453</td>
</tr>
<tr>
<td>Total family support funding</td>
<td>£94,331</td>
</tr>
</tbody>
</table>

**NOTES**

The children’s centre is not given start up funding for childcare provision (row 2), since the centre is developed from a Neighbourhood Nursery Initiative (NNI).

It is given a base budget of £180,760 for core staffing needed to run the centre (row 3). The budget also includes essential staffing costs and the cost of running one full time equivalent childcare place.

The number of new childcare places the centre must create is 33.5 (row 4).

The unit cost of one full time childcare place is £175 per place (row 5). This is a three year tapered support to the children’s centre to aid sustainability in the early days of operation. The taper is based on 50:25:25 over three years: year one is £175 per place, years two and three £87 per place for each year.

The total cost of childcare funding is: row 6 = row 4 * row 5

The second aspect of the centre activities looks at other services in the core offer, such as health, outreach, family learning and special needs. The funding is based on the index of multiple deprivation and the number of children aged 0–5 in the area.

Funding based on index of deprivation is calculated as: row 9 = row 8 * row 7

Funding based on number of 0–4 year olds is calculated as: row 12 = row 10 * row 11

The total cost of family support is: row 13 = row 9 + row 12

The total amount awarded to the Centre is £280,953. Calculated as: sum of row 3 + row 6 + row 13

**Source:** Dudley Metropolitan Borough Council
1 Given the variability in children’s centres’ budgets and expenditure, we carried out statistical modelling to gain an understanding of the factors influencing centres’ expenditure. We constructed the model using data collected at the children’s centres we visited and, where it could be validated, from the centres for which local authorities provided additional data (Appendix 1, paragraph 4).

2 For information provided by local authorities for centres we did not visit, we constructed a template covering a standard set of key activities which we expected to influence cost (Table 1). These were identified from our field visits as the main services on which centres were using their resources (Figure 10 on page 20), and from the Department’s requirements of the core services that centres should offer (the core offer). We piloted the template at one of the centres. Of the 69 centres for which we received responses, 66 provided sufficient data to be included in our final model. Some of the centres were unable to provide all the information requested in our template. However, the information they were able to provide enabled us to compute with greater confidence the cost of certain activities. For example, our calculation on the average price of childcare per week matched the findings from the result of a survey carried out annually by the Daycare Trust.¹⁴

<table>
<thead>
<tr>
<th>Subject of interest</th>
<th>Questions asked</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aggregate income and expenditure</td>
<td>Income of the centre from all sources</td>
</tr>
<tr>
<td></td>
<td>Expenditure of the centre</td>
</tr>
<tr>
<td>Number of childcare places created and the price charged for childcare provision</td>
<td>Number of full and part time childcare places available. Actual number of children attending part/full time childcare places</td>
</tr>
<tr>
<td></td>
<td>Hourly price charged for childcare provision for children up to and over two years old</td>
</tr>
<tr>
<td></td>
<td>Number of hours of teacher and nursery nurse input. Monthly salary, teacher and nursery nurse</td>
</tr>
<tr>
<td>Parenting classes run</td>
<td>Number of parenting classes run and cost of running classes</td>
</tr>
<tr>
<td>Health</td>
<td>Number of parents seen by health officials either at their home or at the centre and number of hours spent</td>
</tr>
<tr>
<td>Introductory/targeted home visits</td>
<td>Number of outreach visits made to homes to provide introductory material about centre services and number of targeted visits to provide specific service</td>
</tr>
<tr>
<td></td>
<td>Number of hours spent on outreach and monthly salary of the person(s) carrying out outreach</td>
</tr>
<tr>
<td>Services for disadvantaged children and families</td>
<td>Estimate of the number of children seen by speech and language therapists in a month. And estimate of the number of families seen by the portage officer (portage is a home visiting educational service for pre-school children with additional support needs and their families)</td>
</tr>
<tr>
<td></td>
<td>Number of hours worked and salary of the speech and language therapist and the portage officer</td>
</tr>
</tbody>
</table>

We used multiple linear regression to test whether a range of variables influenced centre expenditure. These included variables derived from our data collection exercise; background information about the centres such as whether they had been part of a previous initiative such as Sure Start Local Programmes and the length of time they had been operating; and area-level factors. The following variables were tested:

**Usage variables**
- children attending childcare (full and part time)
- parents attending parenting classes
- parents and families using healthcare services
- number of children attending speech and language therapy
- number of families seen by portage workers (portage is a home visiting educational service for pre-school children with additional support needs and their families)
- total number of families seen by the outreach service (including: introductory visits, targeted visits and visits by portage workers)

**Activity variables**
- number of childcare places available (full and part time)
- number of outreach visits made (variables tested included outreach visits for information purposes and to deliver targeted services, and total outreach including and excluding healthcare to avoid double counting with the healthcare variables above)

**Staff/cost input variables**
- healthcare worker hours
- outreach worker hours and their salary
- speech and language therapist/portage worker hours and their salary
- number of teacher/nursery nurse hours and their salary
- cost of providing childcare places

**Features of centre and its history**
- whether the centre was a former Sure Start Local Programme
- whether the centre was school-based
- whether centre had any satellite sites
- number of years centre had been designated

**Area level variables**
- deprivation – Index of Multiple Deprivation score (by lower level super output areas from the ONS neighbourhood statistics). This is the main official measure of area deprivation. A higher score means a higher level of deprivation
- number of children under five in the centre’s catchment area
- the following data from Office of National Statistics neighbourhood statistics covering the local authority
  - percentage of population of working age
  - percentage of population describing themselves as white
  - rurality index
  - percentage of population describing their health as ‘not good’
  - percentage of population aged 16-74 with no qualification
  - percentage of households with lone parents with dependent child

Some of the values for service usage were too small to have any explanatory effect. To capture the maximum amount of centre activity, we used two derived variables for the final model: (i) the number of children attending childcare – this included both full time and part time childcare places; and (ii) the number of parents and families seen by the centres. This included the number of families seen by health officials both at the centre and through health visits, the number of families seen by the introductory and targeted outreach services, the number of children seen by speech and language therapists, the number of parents attending parenting classes and the number of families seen by the portage service.

We tested these variables using total centre expenditure and expenditure per child seen as the dependent variable. We found that models predicting total centre expenditure fitted the data better than models for expenditure per child.
Results

The best fitting model, which predicted 47 per cent of the variation in total centre expenditure, included the factors in Table 2 which were significant predictors of centre expenditure. This means that, all else being equal, centre expenditure is higher if the centre is a former Sure Start Local Programme, is in a more urban area, has more children under 5 in its catchment area, more children attending childcare, and more families seen by other key services. The coefficients in Table 2 are the average effects in pounds of these factors on centre expenditure. For instance, for each child under five in the catchment area, the average centre spends an additional £407.

Although we consider our model to be a reasonable indicator of the main factors influencing costs, it should not be taken that no other factors are relevant. We collected data on key activities, but centres undertake a wide range of activities, including some beyond the core offer and which were not captured in the data we requested. The resources allocated to these activities also varied widely between centres (Figure 11 on page 19). Furthermore, the small number of centres included in the model limits the power of the model in predicting expenditure, and further factors might have been identified as significant in a model based on a larger sample. It is not surprising, therefore, that our model predicts only 47 per cent of centres’ expenditure. With better recording of centres’ activities, it might be possible to derive better models which incorporate a greater range of activities and predict a higher proportion of expenditure.

### Table 2

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
<th>Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of children under 5 in centre catchment area</td>
<td>This information was obtained from the SureStart_On website, which holds individual information on characteristics and services offered by each of the centres. This number is reported to the Department by centres and local authorities using the website.</td>
<td>407&lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
<tr>
<td>Number of children attending childcare</td>
<td>This information was obtained from field visits and the template sent to centres. It covers the number of children reported to attend childcare weekly (both full time and part time) in the period of April-June.</td>
<td>1607&lt;sup&gt;2&lt;/sup&gt;</td>
</tr>
<tr>
<td>Number of families using other centre services</td>
<td>This information was obtained from field visits and the template sent to centres. It covers the number of parents using the following centre services monthly: health, introductory and targeted outreach, parental classes and portage service.</td>
<td>202&lt;sup&gt;2&lt;/sup&gt;</td>
</tr>
<tr>
<td>Whether former Sure Start Local Programme</td>
<td>This information was obtained from the SureStart_On system, which records previous initiatives which funded each centre.</td>
<td>157,909&lt;sup&gt;2&lt;/sup&gt;</td>
</tr>
<tr>
<td>Rurality</td>
<td>This information comes from the ONS neighbourhood statistics. This provides an estimate of how many people per km&lt;sup&gt;2&lt;/sup&gt; are resident in each area. The higher the figure the more densely populated the area is.</td>
<td>46&lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

**NOTES**

Proportion of variation explained by the model \(R^2 = 0.466^1\).

On their own, the variables for childcare and families seen predict 14 per cent of the variability of total expenditure \(R^2 = 0.135^1\) with coefficients of 2159<sup>2</sup> and 239<sup>2</sup> respectively.

1 Significant at 99% confidence.
2 Significant at 95% confidence.
International research evidence

1 There is a substantial body of international evidence on the effectiveness of different early years’ interventions and their impact on young children. The evidence on childcare and early years’ provision in general was summarised in a paper supporting our 2004 report on Early Years (HC 268, 2003-04). The paper is available at http://www.nao.org.uk/publications/nao_reports/03-04/268_literaturereview.pdf. This summary draws on our previous review and work by the Organisation for Economic Co-operation and Development (OECD) to review early childhood care and education in OECD countries.

2 In 2001 the OECD published a comparative review of early childhood care and education in 12 countries including the UK. Its definition only covered arrangements for providing education and care for children under compulsory school age, and not other services for families as provided by children’s centres. The review identified that while most countries delivered services focused on centre-based nursery or kindergarten type provision, a few countries (UK, Australia, Ireland, Netherlands, Norway) provided parenting or family support programmes. Combined services, where centre-based provision was supplemented with home visits and family support, were rare and generally targeted at extremely disadvantaged families. At the time of the review such programmes had been implemented in the US (Head Start), England (Sure Start) and (from 2000) in the Netherlands, although similar programmes have subsequently started in Australia (New South Wales) and Canada (Ontario) and Germany.

3 In the United States, localised projects from the 1960s onwards (Table 3) provided a combination of centre-based childcare and home visits with a variety of other services including paediatric care, nutrition, vocational training and household guidance for mothers. The Head Start programme built on these initiatives to provide a variety of services for pre-school children of three years upwards across the United States from 1965. From 1995 this was supplemented by Early Head Start, providing childcare, developmental assessments, health and parenting services for children from birth to age three.

4 These projects are more comparable to Sure Start Local Programmes and the first wave of children’s centres than most other international provision. There are differences, however: the Sure Start initiative allowed local programmes much more flexibility over what services to deliver than the programmes listed in Table 3, which tended to be closely defined with specific services provided to target families. Both Sure Start and children’s centres offer services to all families in their catchment area, whereas the US programmes were aimed at closely selected families fulfilling specific criteria related to deprivation, such as low income or low child birth weight.

5 Randomised control trials, quasi-experimental evaluations and cost benefit analyses have been carried out for some of these interventions. These are also summarised in the paper supporting our 2004 report (Table 3). It concluded that the evaluations have produced a consistent pattern of results: the programmes had a clear benefit for disadvantaged children. The smaller, more closely targeted interventions showed larger effects but the impact of large-scale interventions such as Early Head Start was also substantial. However Early Head Start had little impact on the very highest risk families. Home visiting produced benefits additional to childcare, but home visiting alone was less effective, and visits by qualified health staff had greater impact.

6 Similarly, evaluations of the recently introduced programme in the Netherlands indicated there were positive effects on standard language and cognitive tests comparing the programmes with regular pre-school and kindergarten education.

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Some cost-benefit analyses have been undertaken where programmes have been running for long enough to track the children served into adulthood. They showed benefits varying from 42 to 47 for each dollar spent on the programme. Much of the benefit derives from reductions in negative life experiences for children such as crime and unemployment. The scope for savings is therefore greater in populations with these social problems.

### TABLE 3

<table>
<thead>
<tr>
<th>Study</th>
<th>Place and time</th>
<th>Target Group</th>
<th>Intervention comparisons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perry Preschool Project</td>
<td>Ypsilanti, Michigan, 1960s onwards</td>
<td>African-American 3-year-olds followed to adulthood</td>
<td>N=123. High-quality centre-based preschool + other support vs. control</td>
</tr>
<tr>
<td>Abecedarian Project</td>
<td>Chapel Hill, North Carolina, 1960s onwards</td>
<td>African-American 3-month-olds followed to adulthood</td>
<td>N=111. High quality centre childcare plus home visits vs. control</td>
</tr>
<tr>
<td>Head Start</td>
<td>USA 1960s onwards</td>
<td>Poor Families with child 3+ years old</td>
<td>Total N in thousands. Centre-based preschool (Head Start) vs. non Head Start</td>
</tr>
<tr>
<td>Brookline</td>
<td>Boston MA 1970s</td>
<td>Any child in Brookline, a mixed area.</td>
<td>N=240. Centre-based childcare and education plus health and family support birth to school vs. no services</td>
</tr>
<tr>
<td>Project CARE</td>
<td>Chapel Hill, North Carolina, 1970s</td>
<td>Similar to Abecedarian 3-month followed to 5 years old</td>
<td>N=83. Centre vs. home visits vs. control</td>
</tr>
<tr>
<td>Milwaukee Project</td>
<td>Milwaukee, Wisconsin, 1970s</td>
<td>Low IQ, unemployed, poor mothers and infants followed to age 14</td>
<td>N=40. High quality centre-based childcare birth to school, plus mother support vs. control</td>
</tr>
<tr>
<td>Syracuse</td>
<td>Syracuse NY 1970s</td>
<td>Poor, mostly African-American families</td>
<td>N=190. Pregnancy to start of school, centre-based childcare, health and family support vs. no services</td>
</tr>
<tr>
<td>Chicago Child Parent Centers</td>
<td>Chicago IL 1980s</td>
<td>Poor, mostly African-American, families with child born in 1980</td>
<td>N=1539. Preschool and family services from age 3 to 9 years. CPC vs. no services</td>
</tr>
<tr>
<td>Infant Health and Development Program</td>
<td>8 sites in USA late 1980s/early 1990s</td>
<td>Low birthweight (under 2.5 kgs) children followed birth to 8 years old</td>
<td>N=985. High quality centre-based programme plus support for parents vs. control</td>
</tr>
<tr>
<td>Diverse US State-based programmes</td>
<td>USA 1990s</td>
<td>Varied, some targeted on poor, some universal</td>
<td>Preschool 3-4+ years vs. no preschool</td>
</tr>
<tr>
<td>Early Head Start</td>
<td>USA nationwide Late 1990s</td>
<td>Families with infant in disadvantaged communities followed from birth to 3 years old</td>
<td>N=3000. High quality centre-based programme vs. home visiting vs. centre plus home visiting vs. control</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type of evaluation</th>
<th>Significant effects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Randomised control trial and cost benefit analysis</td>
<td>Intervention associated with large long-term benefits in terms of school dropout, drug use, teenage pregnancy, employment, welfare dependence, learning difficulties and criminality.</td>
</tr>
<tr>
<td>Randomised control trial and cost benefit analysis</td>
<td>Intervention associated with large long-term benefits in terms of cognitive development, educational success, employment, teenage pregnancy and social adjustment.</td>
</tr>
<tr>
<td>Quasi-experimental</td>
<td>Short-term benefits for literacy, numeracy and social development. Some indication of improved employment/ decreased welfare dependence for parents. Long-term effects on education/earnings for Whites and reduced criminality for African-Americans. Possibly bigger effects with increased parental involvement.</td>
</tr>
<tr>
<td>Quasi-experimental</td>
<td>As young adults the intervention group had better education, earnings, employment, depression, health, and less risk-taking.</td>
</tr>
<tr>
<td>Randomised control trial</td>
<td>Only high-quality centre-based intervention had a significant effect.</td>
</tr>
<tr>
<td>Randomised control trial</td>
<td>Intervention produced benefits for IQ and school readiness, fewer children required to repeat a year in school.</td>
</tr>
<tr>
<td>Quasi-experimental</td>
<td>Better educational success in adolescence for girls but not boys. Long-term benefits for social adjustment and criminality. Parents had better social adjustment, but no economic benefits for parents.</td>
</tr>
<tr>
<td>Quasi-experimental and cost benefit analysis</td>
<td>At age 20 education achievement, school dropout and criminality all improved.</td>
</tr>
<tr>
<td>Randomised control trial</td>
<td>For children 2-2.5 kgs the intervention produced benefits in cognitive, social and educational development. The effects were strongest for children rated as more negative in infancy.</td>
</tr>
<tr>
<td>Quasi-experimental</td>
<td>Indications of short-term educational improvement, no long-term results.</td>
</tr>
<tr>
<td>Randomised control trial</td>
<td>Interventions had benefits for cognitive, language and social development and increased immunisations. For parents: better parenting, employment, training and delayed childbearing. The effects were strongest for African-Americans and for families at moderate risk.</td>
</tr>
</tbody>
</table>