

"It proved hard to finance Early Intervention in our country even when public resources were abundant. Now that they are severely restrained, the task may seem impossible. However, Early Intervention turns this conventional wisdom on its head by reaping massive savings in public expenditure for the smallest of investments in better outcomes, and by avoiding expensive provision when things go wrong. By building out the immense costs of failure, it is in fact the best sustainable structural deficit reduction programme available." Graham Allen's letter to the Prime Minister

This document is essentially an edited version of the recommendations of the second Allen Report, indicating where in the report each of the recommendations can be found.

Chapter 1 Creating a culture change

1. Government sets out, as its policy ambition for Early Intervention, that ...all babies, children and young people should have the social and emotional bedrock essential for their future development and their ability to make effective life choices. ...This ambition should set the tone of the Families in the Foundation Years statement due this summer (page 4)
2. That there is the strongest possible commitment from political leaders to a culture change from late intervention to Early Intervention, and ...that there should be an annual statement to Parliament accounting for the progress made and projected on the policies, programmes in place and expenditure on Early Intervention. (page 5)
2. Government, when planning the next Comprehensive Spending Review, should consider making Early Intervention its theme, and that steady and incremental migration of funding ... per annum would signal government's commitment to do this.(page 7)

Chapter 2 Leadership and co-ordination to enable investment in Early Intervention

4. The Families in the Foundation Years statement must include regular and purposeful assessments for the 0-5s ..and ... that 'school readiness' should be adopted as an intended outcome from Early Intervention and be used as a measure, or basket of measures, of the impact of investment and the extent of savings.... (page 15)
5. There should be an Early Intervention Task and Finish Group reporting to the Social Justice Cabinet Committee. Working closely with the independent Early Intervention Foundation (page 19)

Chapter 3 A locally driven agenda

6. The systems and organisations arising from the NHS changes give priority to Early Intervention, with health and well-being boards providing leadership for Early Intervention's contribution to health and well-being in every locality. (page 25)
7. Government continues to support the joint working between the local Early Intervention Places and Community Budget areas which has arisen since the first Report .. and ... that central and local government players agree how existing Community Budget areas should focus on Early Intervention alongside their work on families with multiple problems as soon as possible. The 27 Early Intervention Places that are not yet Community Budget areas should become part of this work at the earliest opportunity, and all Community Budget areas should be encouraged to focus on Early Intervention as a priority. (page 28)

Chapter 4 Building an Early Intervention Foundation

8. Ministers take a positive leadership role on the independent Early Intervention Foundation in encouraging local areas and philanthropic and private institutional investors to continue their exploration of setting up a Foundation to complement, from the outside, the work that is beginning inside Whitehall. (page 34)
9. The creation of a £20 million endowment to sustain an independent Early Intervention Foundation and that the Prime Minister issues a bold challenge to external funders from the private, charitable and local government sectors that if they create an Early Intervention Foundation to drive progress, government will support them with co-funding. (page 39)
10. Beginning with the 27 existing Early Intervention Places, local areas should drive the work of the independent Early Intervention Foundation to start the process of procuring the services, develop core evidence building, fidelity and outcome measurement functions (page 40)

Chapter 5 External finance through outcome-based Early Intervention contracts

11. Given the public expenditure situation, we need to be much more creative in finding additional (not substitute) non-government money..... this will require outcome-based contracts coupled with external investment. Government and local areas can pay for results from the savings that they will make. (page 46)
12. The Social Justice Committee commissions the Early Intervention Task and Finish Group (see Recommendation 5) to work with the Early Intervention Foundation to assess the financial and economic value of outcomes, to inform better decision making by commissioners of services. (page 49)
13. Central and local government agree to pay Early Intervention outcome-based payments (where savings accrue to them) (page 51)
 - HM Treasury and departments develop methods of accounting to ensure that future payments based on successful outcomes will be honoured from their departmental budgets; and
 - DCLG, and CIPFA develop a method of accounting to ensure that future payments based on successful outcomes will be honoured

Chapter 6 Early Intervention Funds and bonds

14. Through pilots and agreeing to pay for outcomes, government enables private money to be attracted to Early Intervention through the establishment of an Early Intervention Fund or Funds. (page 59)
15. This initial fund should look to raise around £200 million of investment, although in the first instance £27 million would enable the Early Intervention Places to begin with pilots over the current Comprehensive Spending Review period. (page 59)
16. Central government supports local areas to pilot different ways of contracting for Early Intervention outcomes, and that when a fund is available they pilot the use of this fund. (page 60)
17. HM Treasury should encourage councils, in association with financial institutions, to produce practical yet innovative locally based financing ideas for Early Intervention. (page 64)

Chapter 7 Creating the social investment market and tax incentives

18. HM Treasury should commission a thorough review of Early Intervention growth incentives ... (page 75)
 - incentives relating to Capital Gains Tax;
 - incentives relating to Corporation Tax;
 - lessons learnt from tax credits as part of the Dutch Green Funds Scheme;
 - allowing local authorities the right to borrow against cost savings from outcome-based contracts (similar to tax incremental financing);
 - Community Investment Tax Relief;
 - a cash-limited Early Intervention Tax Credit; and
 - accreditation for Early Intervention ISAs and increased ISA allowances for Early Intervention investors.

Chapter 8 Moving forward

19. when the Early Intervention Foundation is in place, it initiates serious all-party discussions on Early Intervention to agree on actions to maintain and promote long-term commitment to Early Intervention. (page 81)

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