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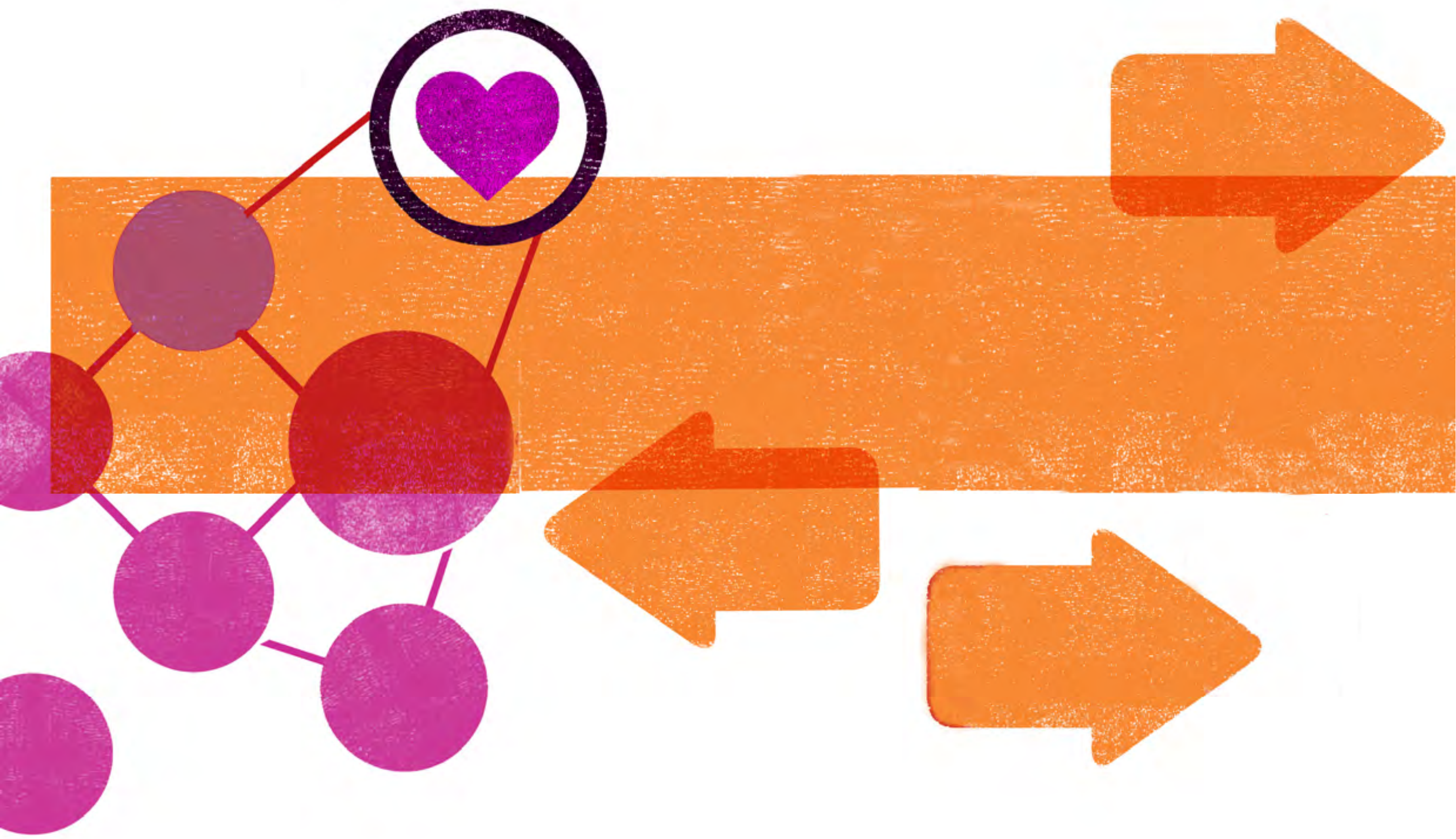
Early Action
Task Force

Towards Effective Prevention:

Practical steps for the next Government



The Early Action Task Force

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The Early Action Task Force is a group of leaders from across the sectors committed to building a society that prevents problems from occurring rather than one that, as now, struggles with the consequences. The Task Force is led by Community Links

This paper was prepared on behalf of the Early Action Task Force by Caroline Slocock

Task Force Members:

David Robinson (Chair)	Co-Founder, Community Links
Geraldine Blake,	Chief Executive, Community Links
Kim Bromley-Derry	CEO, London Borough of Newham
Haroon Chowdry	Evidence Analyst, Early Intervention Foundation
Anna Coote	Head of Social Policy, New Economics Foundation
Dan Corry	CEO, New Philanthropy Capital
Hilary Cottam	Principle Partner, Participle
Helen Donohoe	Director of Public Policy, Action for Children
Sir Stuart Etherington	CEO, National Council for Voluntary Organisations
Lucy de Groot	Chief Executive, Community Service Volunteers
Victoria Hornby	Director Grants, Royal Foundation of the Duke & Duchess of Cambridge
David Hutchinson	CEO, Social Finance
Ben Jupp	Director, Social Finance
Dharmendra Kanani	England Director, Big Lottery Fund
James Magowan	Director of Strategy, Tomorrow’s People
Tom McLaughlan	Director Government Relations, Accenture
Dan Paskins	Head of Policy and Learning Big Lottery Foundation
Debbie Pippard	Head of Programmes, Barrow Cadbury Trust
Anne Power	Professor of Social Policy, London School of Economics and deputy director Centre for the Analysis of Social Exclusion
Baroness Debbie Stedman-Scott	House of Lords and CEO, Tomorrow’s People
Dame Clare Tickell	Chief Executive, Hanover
Kitty Ussher	former CEO, Demos
Yasmin Waljee OBE	International Pro Bono Manager, Hogan Lovells
Nick Wright	Managing Director Corporate Responsibility and Community Affairs, UBS

Advisors to the Task Force:

Caroline Slocock,	Director, Civil Exchange
Will Horwitz,	Policy and Media Coordinator, Community Links

For more information about the Early Action Task Force visit www.community-links.org/earlyaction

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Community Links
Our purpose is to champion social change. We pioneer new ideas and new ways of working locally and share the learning nationally with practitioners and policy makers. As a result, we are recognised as national leaders in regeneration and social policy.

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Summary

This paper briefs politicians on early action – intervening earlier at all points in people's lives, not just in early childhood - to prevent costly problems from arising later. It brings together recommendations of the Early Action Task Force.
The background to this work appears in the Task Force's two reports – *The Triple Dividend* and *The Deciding Time*.

Early action is an **investment in society that not only promotes well-being but also reduces needs and helps everyone contribute their best**. This is a positive, forward looking vision which also saves money. But experience shows these benefits will not be delivered without addressing political and institutional barriers, including short-termism, poor information and under-investment and silo working.

Public opinion can drive politicians to focus on short term results and payoffs. **Public debate is needed**, including in the run up to the next election, to emphasise the connection between early action and people's aspirations, particularly for their children and for an independent later life. Politicians also need to persuade the public that early action is a **sound investment** for the taxpayer - cutting the costs of an ageing population, welfare support, crime and global warming.

Short-term budgeting can squeeze out early action, as the benefits may only occur later and the costs of inaction may be invisible. We therefore advocate **new ten year planning**, with ten year investment plans in social infrastructure, mirroring existing ten year planning for major capital infrastructure projects. The first 5 years of spending plans would be firm, matching a fixed term Government, to aid stability. But ten year plans would be reviewed and rolled forward every 3 years to reflect changing economic circumstances. **The Office for Budget Responsibility** could audit and improve ten year planning and help improve impact assessment. Public bodies should also apply a **Ten year test** for new projects, to assess costs and benefits, including on other agencies. This could be underpinned by a new **Future Generations statutory duty**, monitored by a new **Office for Future Generations**.

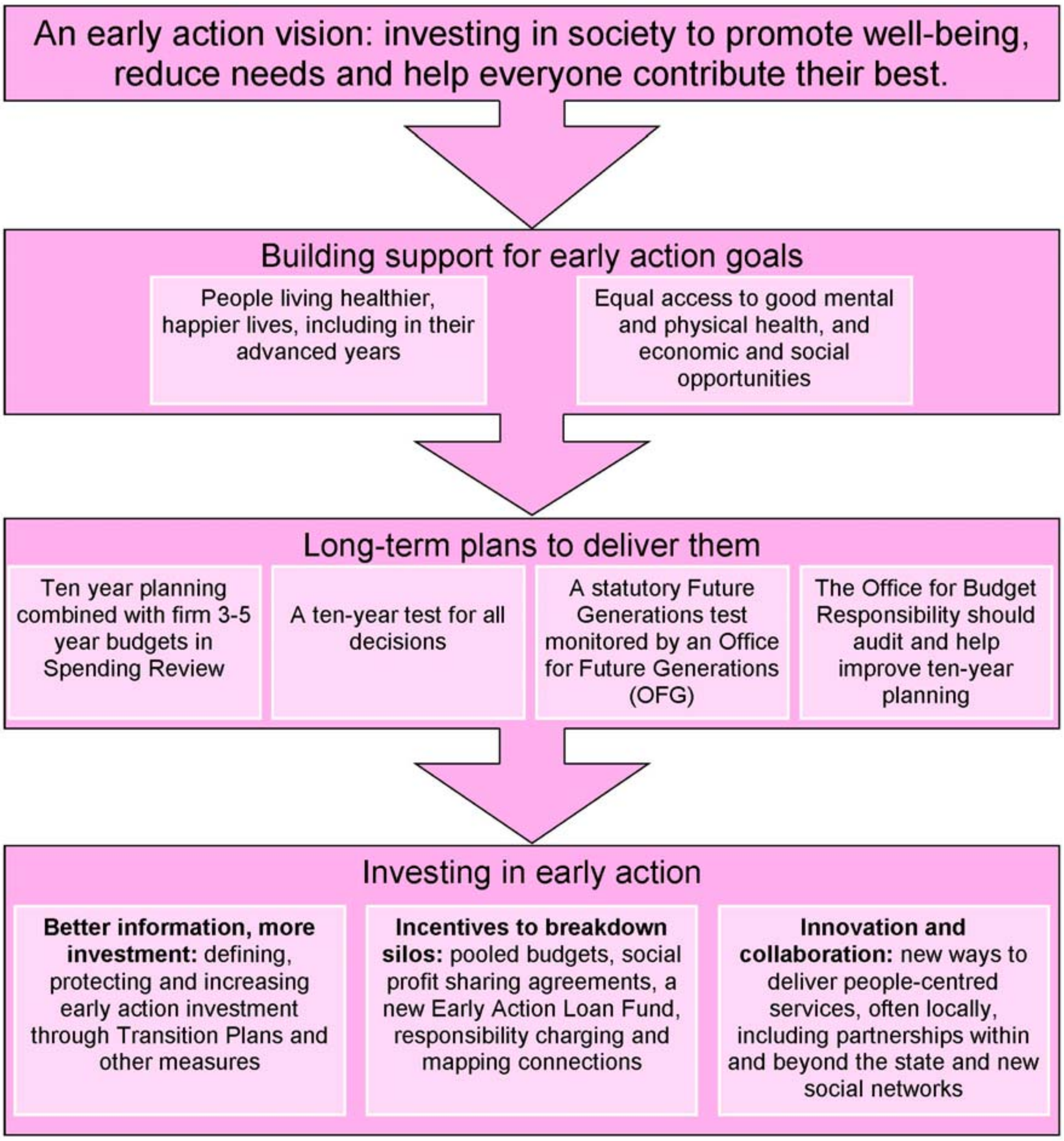
Better information is needed on early action spending, using consistent definitions, and **early action should be protected** as an investment, in the same way as capital expenditure. Spending on early action could be progressively increased within total spending through **Early Action Transition Plans**. To boost investment initially, a proportion of the **benefits from higher economic growth** could be used; there could be a **one off tax on "social polluters,"** such as the alcohol and gambling industries; and **social investment** has a role in stimulating innovation.

Institutional silos often prevent early action. Community Budgets demonstrate the value of **pooled budgets,** which should be more widely used. **Social-profit sharing agreements** between bodies would facilitate shared investment, with prior agreement about the sharing of future savings. To introduce new discipline, change the culture and shift incentives to work across silos, an **Early Action Loan Fund** could be created outside government to provide interest free loans, for example, for local action to reduce welfare costs.

The Treasury should do **investment mapping** of where co-ordination across budgets would bring benefits and ensure it happens.

Local delivery is often the best way to unlock **innovation and collaboration** and break down institutional boundaries. Helping individuals to find their own solutions is key. New collaborations with communities and across sectors may best support this.

The diagram below shows key elements of an early action strategy and illustrates how these actions support each other.



What is early action?

Early action – building a fence at the top of the cliff rather than running an ambulance underneath – is an approach that is relevant to almost every aspect of our lives.

This is not just about investing in children's early years, important though that is; it involves efforts to forestall problems from cradle to grave. For example, action to avoid diabetes, prevent re-offending or avoidable frailty or dependency in old age, so people are better able to participate and contribute, work, volunteer, care and thrive. An early action approach would also reduce unwelcome side effects from systems or processes that push costs on to others, for example, avoidable errors in the benefits system or greenhouse gases.

The case for early action

Early action saves money and promotes both prosperity and well-being, yielding a "triple dividend" which:

- Creates happy and prosperous people and communities who are ready for everything and can contribute fully, both economically and socially.
- Reduces the costs of social failure, minimising the need for state intervention and maximizing the potential for it to invest in the future.
- Builds sustainable human, economic and social capital.

Examples of early action schemes that have proved their worth are featured in an appendix.

A 2013 report by the National Audit Office, *Early Action: landscape review,*[1] concluded that a concerted shift away from reactive spending towards early action has the potential to result in better outcomes, reduce public spending over the long term and achieve greater value for money.

The need to tackle barriers to change

The NAO's report noted that good intentions are being thwarted by barriers to putting early action into practice, including short term planning, lack of information on what is being spent and underinvestment, silo working and poor evidence gathering.

Recognition of these barriers is not new. Derek Wanless, in his second review on refocusing health spending to head off mounting costs, wrote in 2004:

> *"rigorous implementation of identified solutions has often been sadly lacking… we must recognise and tackle the barriers, align the incentives and, first and foremost, we must win hearts and minds."* [2]

To work, an early action strategy not only needs a clear vision and specific goals but must also tackle these impediments. Each of these elements is explored below.

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1 *www.nao.org.uk/publications/1213/early_action_across_government.aspx*

2 *Securing Good Health for the Whole Population*, Derek Wanless, HM Treasury

An early action vision

Early action could be a vital element of a “two term” strategy for an incoming Government, and is also a natural agenda for a coalition government, bringing together social, fiscal and economic objectives in a positive narrative about the future.

The vision is one of investing in society to promote well-being, reduce needs and help everyone contribute their best. This is a positive, forward looking agenda which shifts the emphasis away from simply cutting public services toward more effective investment of taxpayer’s money in a better society, which should reduce the cost of the state but will also bring wider social and economic benefits.

Building consensus around early action goals

Winning hearts and minds, as well as the intellectual arguments, around key goals is crucial. Complex social, environmental and economic problems need engagement across society, as the state generally cannot solve them on its own. Shared goals and priorities are important, setting the stage for concerted action by many players, including individuals themselves.

When asked about early action, politicians often say they are unable to carry good intentions through because the electorate, or the media, will not allow them to. Public opposition to green taxes or to the closure of local hospitals are two examples often cited. In response, the agenda is too often set by short term considerations and political vision is often expressed in terms of the delivery of particular policy initiatives engineered in reaction to current concerns, rather than focused on the future.

A shift in the dialogue with the electorate is needed in order to build understanding and consensus around broad as well as specific early action goals, connecting with the issues and concerns that people face now and demonstrating how action across a number of years would not just yield benefits in the next few years but also shape their future positively. Leadership can also be important - setting an unpopular course and winning others over not just through debate but by demonstrating the benefits. Politicians also need to persuade the public that early action is a sound investment for the taxpayer - cutting the costs of an ageing population, welfare support, crime and global warming. The Early Action Task Force is pursuing more work in this area over the Spring and Summer of 2014.

Precise goals to deliver the overall vision of increased well-being, reduced need and everyone contributing their best will be for political discussion and public debate. To get that debate going, we suggest two overarching *social* goals:

- People living healthier, happier and independent lives, including in their advanced years.
- Equal access to good mental and physical health, and economic and social opportunities.

These could then be supported by specific plans and policies targeted at key life stages. Early action is wide-ranging and investment is needed across people’s whole lives to make the most of people's potential. Furthermore, investment in the earliest years of children's lives will be less effective if it ends there. Two life stages ripe for early action beyond the early years are:

- Young people, addressing fears that they are facing a worse future than their parents, for example, in relation to jobs, housing and physical and mental health.
- Older people. People want as many years as possible of good health, sufficient resources and independent living but fear lack of good quality care and support, crisis management of long term health conditions and growing social isolation.

In both areas, there are striking inequalities, with reduced social mobility and large social and geographical differences in levels of health and life expectancy. For example, people in affluent areas can expect to live around 20 years more in good health than those in the most disadvantaged areas, according to the Office of National Statistics. [3]

Action here would help reduce two important areas of state expenditure, the welfare budget and NHS and other age related costs which the Office for Budget Responsibility's *Fiscal Sustainability Report 2013* showed would make public finances even less sustainable over time without further action.

Long term planning

A key barrier to early action is **short termism,** caused by the electoral cycle and short term planning horizons. Indeed, the NAO concluded in its 2012 report on managing budgets that the "UK budgetary process does not include the sort of longer-term vision seen in other countries."

When success is judged only on the short term, it is inevitable that investment in the future will be crowded out. It is for this reason that capital budgets have been separated from current budgets in government planning and the government is now committed to ten year planning for major capital projects.

The symptoms of this problem are clear to see. In its early action report, the NAO concluded that, despite many early action goals under this Government, levels of spending had remained constant at 6% in recent years, with no plan for a significant shift.

Much investment in prevention at local level has in recent years been cut back, despite Ministers often repeated enthusiasm for early intervention, because the incentives point in the opposite direction. The Local Government Finance Settlement announced in December 2013 took 7.8% in cash terms out of early intervention with children and families, well above the overall 2.9% cut in spending power allocated to local authorities by the Government, according to 4 Children. A recent analysis by the economist Neil Reeder found that local authority preventative spend declined from £18.8bn in 2010/11 to £17.1bn in 2012 – a fall in cash terms of 9.2%.

[3] www.ons.gov.uk/ons/dcp171778_356031.pdf

Ten year social and capital investment plans should be established as part of a longer term approach in the Government's Spending Review, which would include:

- **Investment planning** in key social and capital areas **over a ten year period**.
- **Firm budgets set for the first five years**, reviewed on a rolling basis every three years, to allow updating for changes in economic or other circumstances. This gives local authorities and other providers more stability with which to plan services.
- **All five year budgets to include a further five year impact assessment** so that the negative future costs of inaction and positive value of investments are clear.

This approach is already gathering cross-party Parliamentary support. In its report published in September 2013, *Early Action: a landscape review*, the Public Accounts Committee (PAC) recommended mandatory ten year impact assessments for all spending programmes in Spending Reviews. [4] In March 2013, the Lords Committee on Public Service and Demographic Change recommended in its report, *Ready for Ageing*,[5] that the Government should consider introducing a ten-year spending envelope for the NHS and publicly-funded social care.

There are also foundations on which to build: the Treasury's Green Book already requires consideration of long term costs and benefits for new projects, alongside longer planning for capital expenditure. But our recommendations would make this far more systematic and also more transparent, as plans would be published.

Priority areas for ten year social investment plans might be action to increase social mobility and reduce health and other inequalities and action to improve health in areas like obesity, mental health, diabetes and dementia and help ensure a good quality of life for an ageing population.

Public bodies should also apply **A Ten Year Test** to all new spending. This would require a ten year assessment of the impact of any policy, including on other areas of public spending and other departments.

To help change the culture and improve accountability, longer term planning could be underpinned, when the legislative programme allows, by a **statutory duty toward Future Generations** – a provision already being put in place in Wales.

A new **Office for Future Generations** could also be established to monitor the success of public bodies in meeting this duty. Again, this is being established in Wales.

Measures are needed to **improve the "future-proofing" of policies**, as this is a relatively weak area in the pubic sector and will require investment and take time to improve. More investment is needed in **impact measurement and evaluation** and the tracking (and recovery) of savings from early action downstream. It is also important that trusted and good quality information is in the public domain to inform debate and help all political parties plan their future policies.

[4] www.parliament.uk/business/committees/committees-a-z/commons-select/public-accounts-committee/news/four-reports-published/

The ten year plans and longer term impact assessments should be audited by the **Office for Budget Responsibility**. This is a natural development of its role, as it already publishes an annual Fiscal Sustainability Report which looks at trends over 50 years and it audits projections for that part of public expenditure known as Annually Managed Expenditure (AME), which includes welfare payments. Equivalent organisations in other countries already have a more extensive role than our own OBR. For example, the US Congressional Budget Office (CBO) has a wider remit and looks at labour markets, employment policy and climate change. The Canadian Parliamentary Budget Office examines particular spending streams and projects in areas such defence and healthcare. Danish, Dutch, German, South Korean and Swedish watchdogs all comment on employment growth and structural policies too. The CPB in the Netherlands formally assesses the economic and fiscal consequences of political parties' manifestos before the elections. [6]

Either the OBR or the new Office for Future Generations could also have a role in highlighting potential areas for greater early action investment.Changes to the OBR's role would, however, require greater investment in its resources and Parliamentary approval.

To help drive a longer term approach and build political consensus, it is important that all political parties and the general public have access to good quality information about the drivers of social change and the costs and benefits of inaction versus social investment. **Pre-election planning** is especially important, with a new opportunity created by the innovation of fixed term Parliaments.Parliament is already thinking about how to use this opportunity. For example, the Political and Constitutional Select Committee is to publish a report in May.

Before each election, we recommend that the OBR and Treasury should provide public analysis of key drivers of costs and potential for early action investment. In the Netherlands, the equivalent of the OBR, the Budgetary Framework Commission, publishes a report six months before an election with advice on fiscal principles and budgetary targets for the new government. Three months before, the civil service publishes detailed information for all parties to aid production of manifestos.

Investing in early action

Action is needed on four fronts to tackle other barriers to early action:

- Better information on what is being spent to aid transparency.
- Increased investment in early action.
- Incentives to break down institutional silos that prevent effective action and encourage collaboration and integration.
- Innovation, with more action at local level, to find better ways to address social problems and unlock people's potential.

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[5] www.parliament.uk/business/committees/committees-a-z/lords-select/public-services-committee/report-ready-for-ageing/
[6] Robert Chote, *View from the Kennel*, 9 May 2013

Better information

Lack of transparency and accountability for early action is a major barrier to change. When early action spending is clearly identified, this can be powerful, as is now the case with public health. Where preventative spending is not properly tracked or promoted, for example, on social care, a shift away from prevention toward crisis care may happen almost invisibly.

To strengthen transparency and accountability**, a consistent definition for early action** should be put in place across government so that such spending can be measured, monitored and incrementally increased.

Consistent definitions are not used in government but the Task Force have built on the proposed definitions set out in the NAO's early action landscape review, developing them in discussion with practitioners:

- **Primary Prevention / building readiness**: preventing, or minimising the risk, of problems arising – usually through universal policies like health promotion or a vaccination programme. (The NAO call this "prevention").
- **Secondary Prevention:** targeting individuals or groups at high risk or showing early signs of a particular problem to try to stop it occurring. For example Family Nurse Partnerships, screening programmes, or the Reading Recovery Programme. (The NAO call this "Early Intervention").
- **Tertiary Prevention**: intervening once there is a problem, to stop it getting worse and redress the situation. For example work with "troubled families" or to prevent reoffending. (The NAO call this "early remedial treatment").
- **Acute spending**: spending which acts to manage the impact of a strongly negative situation but does little or nothing to prevent negative consequences or it reoccurring in future. For example prison, or acute hospital care or the jobseeker's allowance.

This approach is already being explored by the Early Intervention Foundation with key departments and agencies in relation to local government spending on children and young people.

The Office of National Statistics could be involved in classification decisions to provide a robust system.

Increased investment

At a time of austerity, some people argue that we cannot afford to invest in early action, but the reality is that we cannot afford not to, if we are to face the challenges of an increasingly ageing population and if, as some politicians seek, the state is to be reduced in size permanently.

One way to increase investment would be to create incentives to promote it within the existing spending envelope. Where definitions are robust, we think early action should be **recognised and protected as an investment** in a similar way to capital expenditure. This would allow acute spending to be diverted to early action but would prevent early action funding being "raided" to meet short term pressures.

However, some **new short term investment** may well be needed to achieve change longer term. This investment can be justified if it is likely to lead to reduced public spending over time or economic growth, just as investment in capital projects and education is currently justified even at a time of austerity. The political case for such expenditure will be easier to make if it is backed up by a strong concept of *social* investment and greater transparency about what is being spent and why.

Here are three ways of boosting early action spending in the short term:

- **Investing in early action** a proportion of any higher than expected economic growth, creating positively reinforcing behaviour.
- **A one off tax on "social polluters"** which contribute to social problems which create costs for the state, such as the alcohol, gambling and payday loan industries. There might also be encouragement for them to take preventative action to reduce the harmful effects of their industries to avoid a similar tax in future.
- **Social investment**, including social impact bonds, has a valuable part to play, particularly in financing innovation and pilots. It is a helpful change agent but it should not be seen as a substitute for government investment in early action. Big Society Capital estimates the level of social investment by 2016 could be £1 billion,[7] whereas Government's total spending is £730 billion.

It is also vital that the relative proportion of early action spending - within a given envelope of spending - should be increased over time through **Early Action Transition Plans**. Government and local authorities should publish these plans, with milestones, for example, "We currently spend 6% of our budget on early action but aim to shift this by two percentage points in each of the next ten years." Carbon Transition Plans offer something of a model.

Better information on what interventions are effective is an important part of this strategy, with new **What Works centres** coming on stream. However, relative to NICE, investment is still extremely low and should be increased.

It can be equally important to **invest in finding solutions** where problems are significant and particularly if they are growing, rather than simply waiting for evidence of what works, which can take years and may relate only to relatively small scale interventions.

Incentives to break down silos

Many social problems need concerted action across budget and institutional boundaries yet it is often very hard to persuade another public body to find the funding to take action that benefits another. This is compounded by the problem that investment in early action may reduce funding for unavoidable obligations in the short run even if it is likely to reap benefits in future years. "Dual running" of early action and acute spending is costly. Public bodies

[7] www.bigsocietycapital.com/sites/default/files/pdf/Big%20Society%20Capital%20City%20of%20London%20Social%20Investment%20Event%20Press%20Release_1.pdf

may also be reluctant to spend on early action if the benefits are uncertain and/or they fear that all the fiscal benefits will just be clawed back in future spending reviews.

It is therefore important that the Government – particularly the Treasury – take a systematic and long term approach to encouraging integration, facilitating co-operation across key budget fault lines and creating clear agreements about what will happen to any savings. A variety of potential tools could be deployed, from setting up pooled budgets, to social profit agreements, responsibility charging and establishing a new **Early Action Loan fund**, as explored further below.

The Treasury and Cabinet Office should start by "mapping" the **potential for different government agencies to co-operate** to invest in effective early action. They have the overview to identify links across different budgets and can help to forge new alliances and knock heads together where necessary, as the Treasury has done recently in relation to action to tackle troubled families or to invest NHS funds in preventative social care.

Two priority areas for this approach would be early action investment by government departments, local authorities and other public bodies to reduce the costs of the welfare budget; and investment to reduce rising NHS and social care costs due to an ageing population.

In both areas, there are already models for **pooling and integrating budgets** through Community Budgets to help reduce the costs of troubled families, what is now called the Better Care Fund, which brings NHS and social care budgets together to invest in prevention, and new public health budgets. This is an approach which should be applied more widely.

We also recommend the introduction of **social profit sharing agreements,** where different parties agree to invest in early action on the understanding that any future savings are shared to a pre-agreed formula**.** Again, Community Budgets being piloted locally point the way. Leicestershire County Council has compared the costs of acute services with anticipated savings from early intervention and has gained "investment partners" from the County Council, the Clinical Commissioning Group and the public health budget and local district councils. Likewise, Manchester City Council has a "heads of terms" agreement with its community budget partners, linked to a return on investment from early action. The same principles of "joint investment agreements" and "social profit sharing" could be applied far more widely.

Responsibility charging should also be introduced to levy a charge where one public body passes on costs to other because of inaction or systems failure. As noted earlier, the same principle could be applied to "social polluters" outside of Government such as the alcohol and gambling industries.

To help introduce new discipline, change the culture and create new incentives to work across government silos an **Early Action Loan Fund could be created. Hosted outside government it would make interest-free loans to public sector agencies to invest in**

early action. One option might be target this on **early action to reduce welfare costs**, although it could also be valuable in other areas such as social care prevention.

Parliament has voted for a cap from April 2015 on the non-cyclical parts of welfare spending within Annually Managed Expenditure (AME) ie housing benefit, tax credits, disability benefits and pensioner benefits. This is likely to lead to cuts in individual benefits or rationing but this can create further costs downstream, as well as causing hardship. An early action strategy would look for preventative action through public service budgets which are contained in separate budgets ultimately managed by Departments (Departmental Expenditure Limits or DEL).

However, this is an area where the incentives are particularly poor for early action investment, as departments and local authorities are likely to gain limited benefit from using their funds to reduce welfare costs. In theory, the Treasury could move funds from the welfare budget to fund these interventions because they are likely to reduce AME downstream. However, the Office for Budget Responsibility will only reduce their projections for welfare costs where there is a proven track record for such interventions. The Fund could help pilot the effectiveness of programs that, once proven, could be funded through direct transfers between AME and DEL in the short run and reduced projections for AME in the future.

The box below sets out how the Fund might work.

An Early Action Fund

An early action loan fund would offer interest free loans to public sector agencies to invest in early action. The loans would be paid back over 3 – 7 years through savings in acute provision or welfare spending. It would promote innovation and system change within public provision.

The Fund would be funded by Government but administered independently to add accountability, new discipline and ensure loans remain binding if the Government changes. The Early Action Loan Fund would quickly become a reservoir of best practice - both in terms of program design and implementation challenges. Acting outside of government, it could more easily focus on the delivery of multi year programs across spending and electoral cycles. Critically, while oiling the wheels, the Fund would inject more discipline into the design and delivery of preventative, demand management spending and invest to save projects.

In order to draw the loan, borrowers would have to present a credible plan for the delivery of outcomes and savings. The Borrower would be required to report regularly and failure to deliver would trigger a stop on further drawings of the loan and a liability to repay early. The requirement to repay passes the responsibility for assessing attribution and cost savings to the Borrower and away from the Fund.

In some cases, sufficient benefits and savings may arise within the local authority or Departments to deliver savings over and above the cost of the loan and they would be responsible for repaying the loan.

In order to make this incentive work, there should be a protocol for future spending reviews to enable borrowers to retain the benefit of additional, evidenced savings for a defined period of time before they are claimed by the Treasury to reduce the borrowing requirement.

However, where the savings predominantly fell to the welfare budget in AME, the Treasury would need to be a party to the loan and would have to agree to repay the loan and share a proportion of any additional savings beyond the cost of the loan with the public sector entity that had delivered the saving.

As a first incarnation, the Fund might be limited - say £200-250m - which would create the impression of scarcity and prompt the more forward thinking to act. We would envisage 10-20 programs of £10-20 million - with spend spread over a number of years - possibly focused on a particular theme in order to guide the thinking. This may need to grow over time.

The fund could be financed by top-slicing existing budgets and/or through a tax on social polluters such as the gambling, alcohol and payday loan industries.

Innovation, including local delivery wherever possible

Genuine innovation to find or apply new solutions to social issues is an important part of effective investment in early action. This may mean reconfiguring services to reduce - not just service - need and generate independence and well-being, rather than dependency. Just as in the past, huge social and economic benefits have come from new public services or interventions, whether through investment in education and health, or in clean water, so in the future we can expect new services to arise, for example a new Active Ageing service that combines health, state funded social care and community based action to meet individual needs. Many of the savings that potentially derive from early action are institutional – for example, fewer prisons, hospitals or school exclusion units.

This is not just a question of joining up existing institutions but sometimes it may be necessary to redesign them or to work across sectoral boundaries. This requires a culture change within the public sector, where:

- Government would act primarily as an enabler, working in partnership with individuals and voluntary and private organizations to deliver change.
- There would be a presumption of working at local level, except where there are compelling reasons not to, as it is often easier to act across institutional boundaries, work in partnership with others and act for the long term.
- Action would be driven by a view that, if people are treated as agents of their own destiny rather than as passive recipients of government interventions, they will thrive and even complex problems can be solved.
- As well as contracting out public services, new approaches would be used to marshal social forces to achieve social outcomes.

Public Social Partnerships being pioneered in Scotland are one example of this kind of approach. These partnerships between the public and civil society sectors place people who use services, their families and carers, at the centre of the design process and delivers services based on their explicit needs.[8] Another approach has pioneered in Scotland by the Early Years Collaborative – which includes social services, health, education, police and third sector professionals – which seeks to embed innovation in everyday delivery of services, drawing on models developed in industry.[9] Its progress should be monitored and replicated if successful.

[8] http://www.community-links.org/linksuk/?p=4295&dm_i=4A0,2APS3,56SMS9,8BVIN,1
[9] http://www.scotland.gov.uk/Topics/People/Young-People/early-years/early-years-collaborative

Applying an early action strategy to older people

This section explores what an early action strategy might look like in practice, focusing on older people as one example. It draws on *Looking Forward to Later Life,* published by the Task Force in Spring 2014.

Vision and goals

A strategy to promote well-being, reduce need, and help everyone contribute is as relevant to this age group as to others. The two specific goals set out earlier in this report are equally relevant: people living healthier, happier and independent lives, including in their advanced years; and equal access to good mental and physical health as well as economic and social opportunities.

Investment in early action here would bring obvious social and economic benefits, for example, by reducing ill-health, and it would certainly save money. The Nuffield Trust has estimated that, without preventative action, there will be a £44-54 billion gap in funding for the health service by 2021/22 caused by an ageing population.[10]

This is an agenda that has the potential to connect powerfully with the electorate. For example, a recent Guardian poll showed that 77% did not believe that public services work in a co-ordinated way to meet the challenges in this area and nearly 60% felt that central government should take the lead in preparing for an older population.[11] The personal benefits of an early action vision and goals could be considerable, seeking to enable older people to:

- Feel in control, happy, secure, at home, valued by others and that life has a purpose.
- Have sufficient income not to be excluded from society.
- Stay healthy, mentally and physically, or living as well as possible with health conditions.
- Be connected to others via a range of personal relationships, interactions and meaningful participation.

Reducing health inequalities is particularly important here, with major gaps in life expectancy and the period of ill health experienced before death between lower and higher socio-economic groups.

Pre-election debate

Building a political consensus around key goals is important and should be informed by a real understanding of those costs, particularly in the run up to the next election. Indeed, the report by the Lords Committee, Ready for Ageing, recommends that the Government sets out before the general election the framework for radically transformed healthcare to care for our ageing population; and that all political parties should be expected to issue position papers on the future of health and social care and address these issues explicitly in their manifestos for the 2015 election.

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[10] www.nuffieldtrust.org.uk/sites/files/nuffield/publication/121203_a_decade_of_austerity_summary_1.pdf
[11] www.theguardian.com/society/2014/feb/26/old-people-living-standards-fall-survey

Longer term planning

Longer term planning is important because of the scale of change required and the long lead in time for some (but by no means all) changes to take effect, for example, measures to promote longer term health in the younger population. The Lords Committee on Public Service and Demographic Change has already recommended a ten-year spending envelope for the NHS and publicly-funded social care for this reason.

Better information on what is being spent

Understanding what is being spent (or not) on early action and the links between different budgets is critical here, as are incentives to promote spending across budgets. The current Government is encouraging new investment from the NHS in social care through the Better Care Fund, in order to reduce costs in the NHS, and integration is the goal. This is definitely a step in the right direction. But local authorities in England have already stripped out £2.7billion from social care since 2010, around 20% of their budgets, according to an Association of Directors of Adult Social Services survey. The Department of Health's impact assessment of the new social care reforms cites its own survey that shows that around 80% of local authorities no longer make support available to people with low to moderate needs and so are waiting for a real crisis to develop before stepping in. If preventative spend had been properly defined and protected, this would not have happened.

Greater investment in early action is needed. All of the options discussed earlier in this report might be relevant. There is clearly scope to redirect existing funds toward prevention, as demonstrated by the Better Care Fund and public health initiatives. Families and communities themselves also have resources that can support early action, including through volunteering.

One lateral way of freeing up resources for early action and creating an incentive to tackle inequalities might be for the pension age to be increased on the understanding that those savings will be anticipated and used to invest in a better quality of life for older people. To ensure that this is fair and create incentives to tackle health inequalities, there could be legislation to make any change conditional on having reduced health inequality between the richest and poorest.

Innovation and collaboration

An integrated approach between health and social care locally is essential but so is more co-ordination at local level with other important services such as transport, neighbourhood planning and housing. Preventative action across the life cycle is important, including health education in schools and leisure services that promote health.

Older people themselves are an opportunity, not a problem, and engaging them more actively would bring wider benefits. Nearly three quarters of respondents in a recent poll thought there should be more opportunities for older people to volunteer and a big majority would like to help out in the community. People who volunteer are happier, less socially isolated and have better quality of life than those who don't.[12]

New Ready Institutes might be established in every area. Each would act as a central coordinating resource – working directly with older people to link them with existing services, and driving the adoption of age-friendly processes throughout local employers, charities, shops, clubs, churches and societies. Older people would be members of these circles and might pay a small fee as well. They would provide reciprocal support as volunteers as well as benefitting from support themselves. But some central government investment would also be needed.

Investment in later life education might also be made. Older people navigating difficult transitions – bereavement or the onset of ill health for example – are particularly susceptible to mental health problems, with substantial knock-on costs. Psychological coping strategies should be made available to everyone approaching later life and could have a significant role in reducing need downstream.

Conclusion

Investment in early action provides a positive strategy for refocusing public investment at a time of austerity and could connect with people's genuine wish for a better quality of life for themselves and their children. To put actions into words, however, an incoming Government will need to make sure that the system supports their vision, introducing longer term planning and investing in early action in ways that genuinely incentivize and promote radical change.

About the Early Action Task Force: The Task Force includes leaders from across the sectors tackling the question: How do we build a society that prevents problems from occurring rather than one that copes with the consequences? Its two reports, *The Triple Dividend* and *The Deciding Time*, are available at www.community-links.org/earlyaction. It is chaired by David Robinson, hosted by east London Social Action charity Community Links and funded by the Barrow Cadbury Trust and the Big Lottery Fund.

[12] www.theguardian.com/society/2014/feb/26/old-people-living-standards-fall-survey

Appendix: Examples of early action saving money

The Reading Recovery Programme

Reading Recovery (RR) is a short-term intensive literacy intervention programme for primary school children who are experiencing problems with reading and writing after their first year of school.

There are over 60 Reading Recovery centres throughout the UK, Ireland and Denmark. It consists of intensive daily 30 minute one-to-one lessons over a period of approximately 20 weeks, held with a trained literacy teacher.

Poor literacy has been shown to be a serious disadvantage in later life, particularly harming employment chances: the cost to society over an individual’s lifetime could be as high as £64,000, around £2bn for all those affected. The programme is estimated to save between £11 and £17 per £1 spent.

Reading Recovery is the foundation intervention for Every Child a Reader (ECaR), the UK literacy intervention programme, and is funded by a combination of government and private funds.

More information:www.readingrecovery.ioe.ac.uk/2

Birmingham's Be Active Scheme

Be-Active is a scheme offering free swimming, exercise classes or gym use, and some community activities to all Birmingham residents. It aims to tackle health inequalities and associated deprivation; a recent cost benefit analysis found that on average every £1 invested in Be Active generates £21.30 in benefits.

The scheme allows people to use council-run facilities for free during off-peak times, and is mostly funded by the local NHS, with the city council contributing 15% of the cost. In 2011/12 there were 1615 hours of free activities per week.

It has about 300,000 registered users (one third of the population), and 140,000 active users per year. Evaluations show it has increased the number of physically active adults since its introduction.

The programme costs £22.0 million over five years, and the analysis suggested the benefits generated by Be Active exceed its cost by £445.2 million. Most of this is improvement in the participants’ quality of life (£377.2 million), with the rest split between cash savings (mostly to the local Health Authority) of £28.7 million and cost savings and productivity gains to the public and private sector of £39.2 million.

These benefits accrue mostly to the local health authority, reflecting their contribution to funding the programme. However the impact is long-term, with most benefits occurring after the first five years.

More information www.birmingham.gov.uk/beactive

Sources:-Marsh, Bertranou and Samanta (2011)

School Exclusion Trial

A four year Cambridgeshire scheme to reduce school exclusions was so successful that five of the six Pupil Referral Units (where excluded students are usually educated) closed, after referrals dropped from 650 in 2007 to 120 in 2012. The project's success attracted the attention of the Department of Education, who are now piloting the approach in 300 schools in eleven local authority areas. The scheme illustrates the powerful impact of a simple shift in incentives.

When a school excludes a student it also hands over responsibility for their education to the Local Authority, who arranges alternate provision. Since post-exclusion the school is not accountable for their performance, there is an incentive for school managers to exclude students who are causing problems or not attaining, rather than devote extra resource to supporting them.

Under the model pioneered in Cambridgeshire, schools assume responsibility for their students even after exclusion. This means the students' results are still reflected in the school's performance, and the school assumes financial responsibility for their continued education.

The local authority budget used for such students is distributed amongst the schools, who work together in local "inclusion partnerships" so that students who are really struggling in one school can be offered a fresh start in another. The incentive for the school is now to deal with students' issues in the best way possible, particularly through investment in services (for example specialist support programmes) based within the school before the student is excluded, rather than pay for costly alternative provision externally.

Source:www.guardian.co.uk/education/2012/apr/09/permanently-excluded-pupils-mainstream-return

Kickz

Kickz began as a joint project between the Premier League and the Metropolitan Police, with the idea of using professional football clubs to help deliver football sessions with young people in deprived areas. It now spans 131 projects involving 43 clubs and over 50,000 young people.

Ninety-one per cent of the programmes run on Friday and Saturday evenings. It is delivered with the help of 5,000 volunteers, many of them young people themselves, and also offers workshops on issues like drug awareness, volunteering, healthy eating, careers and weapons. It allows police and youth workers to build relationships with young people and better understand their concerns.

In Elthorne Park in North London the local project, run with Arsenal, has led to crime falling by two-thirds within a year. An evaluation by New Philanthropy Capital found that every £1 invested in the project created £7 in value for the local community, mostly in savings to the victims of youth and gang violence which used to be common in the area.

The project's core funding comes from the Premier League and the Metropolitan Police, and attracts partner funding to supplement this.

More information information:
www.addison.ceros.com/kickz/kickz/5/year/celebration/fiveyearcelebration/page/1/5

School Home Support

School Home Support (SHS) places specialist staff in schools, who work with young people and families to help them get the best out of their education, focusing on young people who are struggling with behaviour, attendance or achievement. In 2009/10 SHS provided services to over 700 schools and intensive support via its 150 practitioners to 220 of these schools in 23 local authorities, mostly in London. In total they supported 20,000 children and families.

SHS work closely with the family as well as the young person, and have been shown to reduce truancy and permanent exclusions, increase attainment, improve behavior, lead to greater parental involvement, and is enthusiastically supported by headteachers and school staff.

The cost of a permanent exclusion has been estimated at £63,000, and one report estimated SHS saved £1.24 for every £1 spent just through its impact on preventing exclusion. A separate report suggested that in total SHS saved society £21.14 for every £1 spent.

More information: http://www.schoolhomesupport.org.uk6/

Age Concern Kingston's Stay Well at Home scheme

The Service targets people at risk of losing their independence and supports them to stay well and remain living at home. An SROI study estimated savings in public sector budgets of £268,000 – around three times the investment made by NHS Kingston in funding the pilot.

More Information: www.ageconcernkingston.org/uploads/2012/11/ACK-SWaH-report-web1.pdf

Towards Effective Prevention:
Practical steps for the next Government

The Early Action Task Force

This paper briefs politicians on early action – intervening earlier at all points in people's lives, not just in early childhood - to prevent costly problems from arising later.

It brings together recommendations of the Early Action Task Force. The background to this work appears in the Task Force's two earlier reports – *The Triple Dividend* and *The Deciding Time*.

For more information about the Early Action Task Force visit **www.community-links.org/earlyaction**

The Early Action Task Force is a group of third sector, business and public sector leaders working to build a society that prevents problems from occurring rather than one that, as now, copes with the consequences.

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