



# Early Years

## Why Early Years?

Children's life chances are heavily predicated on their development in the period from pre-birth to age 5. Longitudinal studies like the [Effective Provision of Pre-School Education](#) (EPPE) project and the [Early Childhood Longitudinal Study](#) show that these early years are critical to future health, wellbeing and attainment. However, several factors put children at risk of poor outcomes that, without intervention, can lead to damaging, long-lasting consequences:

- **Children from poorer backgrounds have fewer resources to perform as well as their more affluent peers during the early years.** [The Early Years Foundation Stage profile results 2016](#) found an 18% gap between children eligible for free school meals and all other children in reaching a good level of development at the end of reception. The [2016 Centre forum report](#) shows that this gap widens as these children progress through school. Children from poorer backgrounds have lower GCSE attainment rates and lower post 16 participation levels.
- **Poor parenting, inter-parental relationships or maternal health can all have enduring adverse impacts on children.** For example, smoking in pregnancy is the single biggest, modifiable risk factor for pregnancy outcomes impacting on infant health, while emotional stress caused by [inter-parental conflicts](#) puts children at significant risk for heightened mental health, behavioural and academic problems.
- **Children with disabilities, learning difficulties or those speak English as an additional language (EAL) also face disadvantages.** If their development is not supported in the early years, they are likely to fall further behind in subsequent years: Poor speech at age 5 predicts worse literacy, employment and mental health outcomes at age 34; and children with lowest reading ability at age 7 have 20% lower wages at age 33.

### What is a Social Impact Bond?

Social Impact Bonds (SIBs) seek to improve the social outcomes of publicly funded services by making funding conditional on achieving results. A social investor, seeking social as well as financial returns, provides the upfront funding to providers to deliver the service. Local commissioners pay the social investor back based on the outcomes achieved by the project. The Life Chances Fund will top up outcomes payments in local SIBs.

### Further Information

Please view [this video](#) for further information on SIBs.

More information on frequently asked questions about the Life Chances Fund and SIBs can be found [here](#).

You can also discuss particular aspects of your proposal by [sending us an email](#).

Local authorities spent approximately [£6.5 billion](#) in 2014/2015 on late, i.e. reactive, interventions for children to offset issues that could be prevented or mitigated in the early years, such as mental illness or persistent absence from school. Social Impact Bonds (SIBs) could identify early signs of risks in children to prevent such damaging and costly consequences. **Research shows that targeted intervention can improve outcomes for children at risk. For example:**

- Children exposed to early childhood development programmes develop social skills and motivation that lead to lower levels of school failure and higher educational achievement. According to the [effective Pre-School, Primary and Secondary Education](#) (EPPSE) 2015 report, attending a high quality pre-school setting has an estimated lifetime earnings benefit to the individual of £27,000.
- Certain [parenting programmes](#) have been evidenced to improve the interaction between parents and children at home, which had a positive impact on a child's language development, behaviour and school readiness.
- Health interventions for children from 0-5 years can prevent physical and mental health problems, reducing mortality and morbidity. [Public Health England](#) found that every individual who does not develop a mental health issue saves local authorities £2000 per year.
- Programmes targeting disadvantaged parents during pregnancy can improve maternal and infant health. Studies show that the costs of caring for preterm birth and low birth weight babies, from birth to the age of 18, are substantial, at around [£3 billion](#) (for England and Wales) for each annual cohort.

## What kind of proposals is the Life Chances Fund looking for?

Early Years is a relatively new area for Social Impact Bonds (SIBs), so we would like to see bids that use interventions that are high quality and based on evidence about what works, using a model that is scalable. However, we will also consider proposals that are seeking to test an innovative approach where there is a compelling theory of change.

We would particularly like to see projects that involve service users, their families and immediate support networks in the design, application, delivery, governance and reporting stages, where appropriate.

The [Early Intervention Foundation](#) and the [Education Endowment Foundation](#) offer guidance and assessments, rating evidence and costs of Early Years interventions. There are also examples of early years SIBs from around the world. SIBs currently operating in the USA include a project in [Illinois](#) and another one in [Utah](#), which aim to improve school readiness and reduce the number of disadvantaged pre-schoolers requiring special education, and one in [South Carolina](#), which delivers services to young first-time mothers in order to improve early outcomes for their babies.

## Out of scope

Based on our experience, there are some areas where we believe the SIB model is unlikely to be appropriate:

- One size fits all approaches - proposed interventions should be age and developmentally appropriate and address a child's specific needs
- Interventions that focus on improving parents' outcomes only – interventions that target parents should demonstrate that they improve outcomes for children as well
- Interventions that have very limited or no existing evidence to support them
- Interventions that only improve outcomes in the short-term
- As an additional revenue stream for existing children's services
- Open ended services that lack a clearly defined cohort

## Outcomes

Proposals should focus on outcomes that have been evidenced to create better life chances for children. It's likely that strong proposals will focus on medium-term attainment, health and prenatal care outcomes that have a clear link to improving long-term outcomes as well. These could include one or more of the following suggested outcomes:

### Attainment and behaviour

#### **School Readiness / reduced attainment gap for disadvantaged children**

*Measures: e.g. Early Year Foundation Stage Profile, KS1 and KS2*

- **Improved early language development / early literacy / early numeracy skills**  
*Measures: e.g. Ages and Stages Questionnaire, Early Year Foundation Stage Profile*
- **Improved social development and behavioural self-regulation**  
*Measures: e.g. Early Years Foundation Stage Profile, Strengths and Difficulties questionnaire*
- **Reduced numbers of pupils requiring Special Education Needs (SEN) support**  
*Measures: e.g. numbers of pupils in primary school requiring SEN support*

### Health and wellbeing

#### **Improved mental health for children and their parents**

*Measures: e.g. Beck Depression and Anxiety Inventories (BDO and BDA), Edinburgh Postnatal Depression Scale (EPDS); Child Behaviour Checklist (CBCL); Child Symptom Inventories (CSI)*

- **Improved early attachment**  
*Measures: e.g. Neonatal Behavioural Assessment Scale (NBAS); Parent-Infant Interaction Scales (IYFP)*
- **Reduced inter-parental conflicts**  
*Measures: e.g. Quality of Marriage Index (QMI), Conflict with Partner Scale*

#### **Improved oral health**

*Measures: % of children with decayed, missing, filled teeth at age 5*

### Prenatal care and infant health

#### **Reduced low birth weight and preterm births**

*Measures: e.g. % of babies weighing less than 2,500 grams; number of births where the obstetric estimate of gestation in completed weeks is less than thirty-seven*

- **Reduced levels of smoking during pregnancy**  
*Measures: e.g. % of woman who smoke at time of delivery*

#### **Reduced child injuries**

*Measures: e.g. emergency department visits/hospital admissions caused by unintentional and deliberate injuries during first 24 months after birth*

## Cohort

SIBs require a clearly defined cohort for whom outcomes are expected to be poor and which can be easily identified and referred to a suitable intervention. Local commissioners will be best placed to determine which cohort of children between pre-birth and age 5 and/or their parents they wish to prioritise for a potential SIB.

However, based on our analysis and conversations with a range of stakeholders, we believe there are specific opportunities to improve children's outcomes among the following groups:

### Attainment and behaviour

#### Children at risk of not being school ready, including

- Children with learning difficulties or children expected to need SEN support
- Children and parents from a low income family, for example those eligible for the 2 year-old offer or free school meals
- Children with poor English language skills / English as additional language
- Children with unwanted/antisocial behaviour

### Health and wellbeing

#### Children with signs of poor health and wellbeing, including

- Children with poor oral health
- Children and parents with mental health problems
- Parents with poor relationships quality

### Prenatal care and infant health

#### Mothers who exhibit risk factors during and after pregnancy, such as

- First-time mothers on low income
- Pregnant women who use drugs drink alcohol
- Pregnant women who smoke
- Teenage mothers
- Mothers with mental health problems

## Interventions

This list of interventions is illustrative of the types of interventions a SIB might use. This list is not exhaustive and only provides some examples of evidence-based interventions in the early years. These interventions may not be suitable in all circumstances and commissioners may decide that other interventions can better address local needs. Inclusion in this list does not imply LCF endorsement.

### Attainment and behaviour

- [Incredible Years preschool programme](#)
- [Treatment Foster Care Oregon for Preschoolers \(TFCO-P\)](#)
- [Let's play in tandem](#)
- [Parents as Teachers](#)

### Health and Wellbeing

- [Liebermann model of Child-Parent psychotherapy \(CPP\) Programmes](#)
- [Incredible Years Advanced](#)
- [Family Foundations](#)
- [Childsmile](#)

### Prenatal care and infant health

- [Healthy exercise and Nutrition for the Really Young \(HENRY\)](#)
- [Baby Box University](#)
- [Baby be smokefree](#)
- [Opt-out referrals to stop smoking services](#)