

MEASURING THE COST-EFFECTIVENESS OF SURE START

Sure Start can be thought of as an investment in young children and their families, which is rather like an investment in education. Costs are incurred in the short term in the expectation that there will be a return on that investment in the longer term. One of the main reasons for investing early is that in the development of children's potential, they need to have achieved lower level milestones before they can move onto higher ones. For example, children need to be able to do maths if they are to become engineers. In order to do maths they need to understand the concept of numbers and learn to count. Thus, unless they have learned to count they can never become engineers. The economic argument for early intervention is that it paves the way for higher levels of achievement at later ages than would be otherwise be possible.

The cost-effectiveness evaluation therefore asks two key questions:

- What is the total level of resources being spent on Sure Start?
- What are the benefits of Sure Start for children, their families, the local community and the wider public, which can be quantified in monetary terms?

The resources devoted to Sure Start are those which could be used in another way if Sure Start did not exist. These are called "opportunity costs" by economists because they represent lost opportunities to do other things. They include:

- Sure Start grants.
- Resources provided from other sources (e.g. buildings, donations from companies).
- Resources provided by volunteers.
- The cost of additional services received by children and families as a result of referrals (for example specialist mental health services or the cost of training courses).

These have to be looked at in the context of the level of existing services for young children and their families in individual areas, since the challenge of delivering services varies according to the local starting point.

As part of the implementation evaluation we will be looking at the efficiency and effectiveness of the use of Sure Start resources.

- Efficiency measures the extent to which a minimum level of resources is used to achieve a given objective
- Effectiveness measures the extent to which a particular objective is actually achieved.

As part of this process we will be looking at the national costs of achieving particular national targets, recognising that costs will vary from area to area depending on local circumstances.

The cost-effectiveness evaluation will then use information collected as part of the impact evaluation to assess the value of the outcomes achieved by Sure Start for:

- Children
- Families
- The local community
- The wider public (including taxpayers)

Any benefits are likely to come through on a variety of timescales. For example the impact on the earnings of the children cannot take place until they are at least sixteen and therefore old enough to work. But there may be potential benefits in terms of children's and parents' health, which could come through much more quickly.

Overall the cost-effectiveness evaluation will consider potential benefits under the following headings:

- Educational outcomes and skill development.
- Health (physical and socio-emotional) outcomes.
- Behavioural outcomes (for example involvement with substance use or delinquency).
- Employment outcomes (including earnings).
- The economic and social well being of the area.