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## Evaluation of Children's Centres in England (ECCE)

### Strand 5: Case studies on the costs of centres in the most deprived areas

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#### **Introduction**

This report is the second output from the Evaluation of Children's Centres in England (ECCE), a six year study commissioned by the Department for Education and undertaken by NatCen Social Research, the University of Oxford and Frontier Economics. The aim of ECCE is to provide an in-depth understanding of Children's Centre services, including their effectiveness in relation to different management and delivery approaches and their cost.

This report presents interim cost estimates for strand 5. This strand will assess the value for money of different types of services delivered in Children's Centres. The cost information for this analysis will be drawn from two sets of twelve case study visits to centres located in the 30 percent most deprived areas, the first wave having been undertaken in March and April of 2012 and the second wave to be undertaken in early 2014. This cost information will be combined with estimates of the impact of Children's Centre services on outcomes for children aged three and their families and used to derive value for money estimates in a final report scheduled for publication in 2015.

#### **Background**

Children's Centres were launched under the Sure Start banner in 1998, with the aim to give disadvantaged children the "best possible start in life." The first centres opened in the most deprived areas of the country, but served all families in the centres' catchment areas. There are currently 3,350 Children's Centres in England providing integrated multi-agency services at a single point of access for families with young children. These services can include childcare and early education programmes, a range of health services, evidence-based parenting classes and specialised family support services.

#### **Methodology**

A case study approach was used to collect cost information from twelve children's centres for a combination of reasons. First, it was important to ensure that complete information would be collected from each centre. Second, prior to the visits it was not clear how centres record cost information and whether they had any records on the usage of different resources. Third, the amount and detail of data required from each centre was demanding: the presence and aid of researchers was felt to be required to assist centre managers in sourcing and providing the quantity of information required.

## Key findings

- The average number of all staff (including centre employees, employees of other organisations and volunteers) working in the twelve case study centres is 34, but ranges from 19 to 51.
- On average, centre employees deliver 79 percent of staff hours and there are substantial contribution to staff hours from Health Authorities (8 percent), charities (3 percent) and volunteer staff (5 percent).
- On average, some 35 percent of all staff hours are attributed to core running (that is, activities essential to the general running of the centre but not directly attributable to a particular service) rather than the direct delivery of services, almost all of which is undertaken by centre employees.
- On average, each of the twelve case study centres uses 7 different locations from which to deliver services. This ranges from 3 to 18 locations, but five centres used only 5 or less different locations
- LAs contribute significantly in the provision of venues by paying for substantial parts of the costs of main sites for many of the centres.
- The average cost of delivering services across the twelve case study centres is just over £10,000 each week
- This cost is almost evenly divided between costs which are attributed to core running (44 percent) and those which are attributable to specific services (56 percent).
- The average weekly cost ranges from around £4,500 to almost £20,000 across the twelve centres.

**Table 1.** Weekly costs by activity and cost type

	Total costs (£ per week)	Percentage of cost by activity		Percentage of cost by type			
		Core running	Service delivery	Staff costs	Venue costs	Other costs	Service contract costs
Mean	10,327	44	56	76	13	10	2
Median	10,000	43	57	77	12	9	0
Minimum	4,627	34	42	66	8	<1	0
Maximum	19,502	58	66	88	23	21	11

- Costs per user hour across 7 service categories range from £5 for childcare to £67 for financial and work advice (see table 2 below).
- Differences in cost per user hour can broadly be explained by the size of group to whom the service is delivered and the degree of specialisation required in the staffing.
- The cost per user hour is much lower for the three service categories which tend to be group-based (childcare, stay and play activities and adult learning) and higher for services which tend to be one-on-one and to use specialised staff (health-related services, financial and work advice and other services), with the mean cost for family support in the middle.

**Table 2.** Cost per user hour across major service categories

	Number of services provided across the 12 centres	Mean cost per user hour (£)	Lower bound for 95% confidence interval (£)	Upper bound for 95% confidence interval (£)
Childcare	7	5	2	7
Stay and play activities	113	17	9	25
Health-related services	77	51	45	56
Family and parent support	82	22	16	28
Financial and work advice	20	67	44	89
Adult learning	22	11	6	15
Other services	43	42	26	58

Notes: The cost per user hour is the cost of delivering each hour of the services received by families and children. Families do not pay directly for most services.

An important question for this interim report is whether, given the small sample size, the cost estimates are likely to be representative of costs in all Children's Centres in the most deprived areas. In addition, the small sample size raises the challenge of whether the cost estimates are likely to be sufficiently precise to generate conclusive results from the value for money analysis in later stages of the evaluation. It is not possible to answer these questions definitively, but there are indications that the data is sufficient to address these issues:

- The sample was selected to match a range of key centre characteristics with those of a larger, representative sample drawn from a large pool of centres in a different strand of the evaluation.
- The confidence intervals around the estimated mean cost per user hour for 7 service categories are sufficiently precise to draw confident conclusions about the most cost effective services when analysing the data from other strands of the evaluation. They are also sufficiently precise to potentially generate conclusive results from a cost benefit analysis taking into account probable savings incurred in the longer term.
- Exploration of the reasons for particularly high or low values of these costs indicates that these are primarily driven by differences in specific service characteristics within the broad categories rather than random fluctuations in the unit cost of resources. This suggests that the sample variation may reflect genuine variation within the population of all centres rather than the peculiarities of this particular sample.

### **Additional Information**

The full report can be accessed at <http://www.education.gov.uk/publications/>

Further information about this research can be obtained from

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This research report was commissioned before the new UK Government took office on 11 May 2010. As a result the content may not reflect current Government policy and may make reference to the Department for Children, Schools and Families (DCSF) which has now been replaced by the Department for Education (DFE).

The views expressed in this report are the authors' and do not necessarily reflect those of the Department for Education.